

IN THE UNITED STATES DISTRICT COURT?

FOR THE DISTRICT OF DELAWARE

BIO-RAD LABORATORIES,
INC. and THE
UNIVERSITY OF CHICAGO,

Plaintiffs,

v.

10X GENOMICS, INC.,

Defendant.

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) C.A. No. 15-cv-152-RGA
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J. Caleb Boggs Courthouse
844 King Street
Wilmington, Delaware

Friday, November 2, 2018
3:30 p.m.
Oral Argument

BEFORE: THE HONORABLE RICHARD G. ANDREWS, U.S.D.C.J.

APPEARANCES:

FARNAN, LLP
BY: BRIAN E. FARNAN, ESQUIRE

-and-

WEIL GOTSHAL & MANGES, LLP
BY: EDWARD REINES, ESQUIRE
BY: DEREK C. WALTER, ESQUIRE

For the Plaintiffs

1 APPEARANCES CONTINUED:

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RICHARDS LAYTON & FINGER, P.A.
BY: JASON J. RAWNSLEY, ESQUIRE

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TENSEGRITY LAW GROUP LLP
BY: MATTHEW D. POWERS, ESQUIRE

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For the Defendant

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PROCEEDINGS

02:52:08 12

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THE CLERK: All rise.

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THE COURT: All right. Good afternoon. Please
be seated.

03:34:18 16

So this is a hearing in Bio-Rad versus 10X.

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Civil Action Number 15 -152. I see Mr. Farnan, and

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Mr. Reines, and Mr. Walter on one side. And Mr. Rawnsley,

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Mr. Powers, and Ms. Moulton on the other.

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So as I gather from the emails that I saw that

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were forwarded to me from my staff, the various evidentiary

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things that were on the horizon yesterday that we postponed

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until three o'clock so that there could be meeting and

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conferring and possibly resolving has ended up resolving all

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of those issues?

03:35:08 1 MR. POWERS: Yes, Your Honor.

03:35:10 2 MR. REINES: Yes, Your Honor.

03:35:11 3 THE COURT: Okay. Well, thank you for that.

03:35:13 4 So then I saw that there were three additional
03:35:17 5 issues, and I think I pretty much did invite,
03:35:22 6 notwithstanding that we were originally talking about this,
03:35:24 7 the specific exhibits, but I did invite you to come by today
03:35:30 8 if there was anything I could do for you.

03:35:32 9 Actually, so rather than me surmising what I
03:35:38 10 can, Mr. Reines, I gather you're the primary reason that
03:35:42 11 we're here today. So why don't you just tell me what you
03:35:44 12 have on your agenda.

03:35:46 13 MR. REINES: Fair enough, Your Honor. Thank you
03:35:47 14 very much for making time for us.

03:35:49 15 First, I think just out of housekeeping, I guess
03:35:56 16 it is, to let you know we dropped the '148 patent.

03:35:59 17 THE COURT: Oh, okay.

03:36:00 18 MR. REINES: Okay. So it's now a four patent,
03:36:03 19 not a five-patent case. And that eliminated two claims, so
03:36:07 20 there are currently eight claims --

03:36:09 21 THE COURT: Okay.

03:36:09 22 MR. REINES: -- in four patents. So I just
03:36:11 23 wanted to let you know that.

03:36:12 24 THE COURT: Yes.

03:36:13 25 MR. REINES: There's two issues for the Court.

03:36:15 1 One of them is the question of an indefiniteness issue.

03:36:21 2 THE COURT: Yes.

03:36:22 3 MR. REINES: And this came up in the noon, a
03:36:28 4 little after noon submission that was provided to us about
03:36:30 5 whether it's a law or fact issue. As I understand it,
03:36:36 6 Mr. Powers would like to argue about that presumably in the
03:36:38 7 opening, and present it to the jury, and so forth, the
03:36:42 8 indefiniteness. And we have fundamental concerns about
03:36:45 9 that, and Mr. Walter's prepared to address that.

03:36:48 10 The second thing was we put in a short paper in
03:36:52 11 the hour that we had to respond to the lengthy submission,
03:36:56 12 the bench memo.

03:36:57 13 THE COURT: I had not seen that. I've seen the
03:37:00 14 bench memo because, by accident, it showed up in person, but
03:37:06 15 I haven't seen whatever it is you filed.

03:37:08 16 MR. REINES: So we would have a response to that
03:37:11 17 which I would probably handle in the first instance, so --

03:37:14 18 THE COURT: Wait. You have filed something or
03:37:16 19 you have not?

03:37:16 20 MR. REINES: Yeah. We filed something. Yeah.

03:37:18 21 THE COURT: Okay.

03:37:19 22 MR. REINES: Yeah. So I did a quick, you know,
03:37:22 23 one or two-pager just to respond so that there was --
03:37:25 24 there's a few other points we have in addition to that. The
03:37:29 25 primary issue is the indefiniteness one, so --

03:37:33 1 THE COURT: Yes. Let's talk about the
03:37:34 2 indefiniteness.

03:37:36 3 So first off, Mr. Walter, rather than you
03:37:38 4 telling me what your problem is. Mr. Powers, why don't you
03:37:45 5 tell me what it is you want to do.

03:37:47 6 MR. POWERS: We are asserting as a defense to
03:37:54 7 the '083 patent --

03:37:57 8 THE COURT: Right. That's the one that you have
03:38:00 9 no obvious or you have --

03:38:02 10 MR. POWERS: Correct.

03:38:02 11 THE COURT: -- nothing because of the IPR. So,
03:38:06 12 right. So tell me about that.

03:38:08 13 MR. POWERS: Your Honor, you'll recall that
03:38:12 14 patent has a requirement that the surface, and I'll quote,
03:38:15 15 "the surface tension at the plug fluid/micro channel
03:38:21 16 interface." So you have a droplet surrounded by plug fluids
03:38:26 17 and a wall that's going through that channel. That the
03:38:30 18 surface tension at the plug fluid/micro channel wall
03:38:34 19 interface is higher than the surface tension at the plug
03:38:39 20 fluid carrier fluid interface.

03:38:41 21 So they're saying so you have the droplet which
03:38:45 22 is surrounded by the carrier fluid, and that's an interface
03:38:48 23 where there's surface tension. And it's saying the surface
03:38:52 24 tension at that interface between the droplet and the fluid
03:38:55 25 that's next to it has to be lower than the surface tension

03:38:58 1 between the droplet and the wall.

03:39:01 2 THE COURT: Okay.

03:39:02 3 MR. POWERS: And we have pointed out in
03:39:07 4 discovery and in many other ways that there is, in fact, no
03:39:11 5 interface between the plug fluid, i.e. the fluid that's
03:39:19 6 inside the droplet and the micro channel wall. And our
03:39:24 7 expert has opined that because there is no such interface,
03:39:30 8 there is no way to measure the surface tension.

03:39:34 9 I want to note that Your Honor's summary
03:39:37 10 judgment ruling said that there does not have to be physical
03:39:39 11 contact between the plug fluid and the micro channel, but
03:39:43 12 didn't address this question of whether it's impossible to
03:39:45 13 measure in our product the surface tension that's required
03:39:50 14 by the claim, i.e. that between the plug fluid and the micro
03:39:55 15 channel wall.

03:39:56 16 So our expert has opined that it's not possible
03:39:58 17 to measure that. It's just physically not possible, so you
03:40:01 18 can't do the comparison the claim requires.

03:40:03 19 THE COURT: What does the plaintiffs' expert on
03:40:07 20 infringement say?

03:40:07 21 MR. POWERS: Exactly the next point I was
03:40:09 22 getting to which was the right question. So he creates an
03:40:12 23 imaginary or hypothetical interface, and then measured --
03:40:17 24 and then purports to measure, or determine, or predict, or
03:40:20 25 estimate the surface tension between that hypothetical or

03:40:26 1 imaginary interface, and then says that there's infringement
03:40:30 2 based on that.

03:40:31 3 He does not deny, in fact admits that there is
03:40:34 4 no interface between the plug fluid inside the droplet and
03:40:38 5 the wall. So our point on the indefiniteness is we have an
03:40:44 6 expert who says the claim requires this interface ratio to
03:40:50 7 be different, and you can't measure it in our products.
03:40:54 8 And, therefore, there's a lot of cases out there that say,
03:40:58 9 if the experts can't agree in a way to measure what the
03:41:03 10 claim requires, that's indefinite.

03:41:05 11 And on indefiniteness, I just want to note for
03:41:09 12 Your Honor when they originally -- when we talked about this
03:41:14 13 at the last hearing, I think it was, what they contemplated
03:41:19 14 and what they represented to the Court was they would put in
03:41:22 15 a letter with their position, and then we would respond.
03:41:25 16 And they told us about 2:15 today they wanted to do this at
03:41:30 17 three o'clock, and our response was, We're happy to do that,
03:41:34 18 but we haven't met and conferred. And Your Honor has been
03:41:37 19 very clear many times that you want us to meet and confer so
03:41:39 20 you have a joined question before you.

03:41:41 21 THE COURT: Yes, that's true.

03:41:43 22 MR. POWERS: And it has not been joined. They
03:41:45 23 have not stated their position. There's been no exchange of
03:41:48 24 authorities. There's been no meet and confer. We don't
03:41:51 25 even know what their position is as of now.

03:41:54 1 And one final point, we told them that we would
03:41:58 2 be happy to keep it out of opening, i.e. not address
03:42:01 3 indefiniteness in opening, so that it didn't need to be
03:42:04 4 resolved today, so there could be a disciplined meet and
03:42:08 5 confer process to allow Your Honor to have a fully joined,
03:42:12 6 vetted process, and here we are.

03:42:14 7 THE COURT: Okay. And so what is the question
03:42:19 8 that you would put to the jury?

03:42:21 9 MR. POWERS: Whether it's possible to measure
03:42:23 10 the surface tension in that interface that doesn't exist.
03:42:29 11 That's a factual question. There's no meaningful way to
03:42:33 12 debate that question of whether that's factual. It is a
03:42:36 13 factual question whether experts can measure that.

03:42:38 14 THE COURT: So I'm using words here that I don't
03:42:44 15 actually know and understand, but would you imagine that was
03:42:47 16 a special interrogatory, or how would you imagine -- that's
03:42:51 17 kind of what I meant. How would it be put to the jury?

03:42:57 18 MR. POWERS: It could be put to the jury in one
03:43:01 19 of two ways, and obviously, we haven't all finalized the
03:43:03 20 verdict form.

03:43:04 21 THE COURT: No.

03:43:05 22 MR. POWERS: But to put in our general verdict
03:43:07 23 form that does sort of do you find that as indefinite, yes
03:43:11 24 or no, or do you find that it's possible to measure the
03:43:14 25 surface tension, blah, blah, blah interface.

03:43:17 1 THE COURT: So the --

03:43:18 2 MR. POWERS: One of those two things it seems to
03:43:20 3 me would be the appropriate way to test that question.

03:43:22 4 THE COURT: So are there two asserted claims of
03:43:24 5 the '083 patent?

03:43:26 6 MR. POWERS: Claims 1 and 9, yes, Your Honor.

03:43:28 7 THE COURT: Do they both present the issue?

03:43:33 8 MR. POWERS: They both do.

03:43:34 9 THE COURT: Okay. All right. Well, that's
03:43:40 10 helpful.

03:43:41 11 Mr. Powers, let me hear from, I guess,
03:43:43 12 Mr. Walter.

03:43:47 13 MR. WALTER: Thank you. So at noon today, we
03:43:55 14 got their position that they were going to present this
03:43:58 15 indefiniteness argument on the '083 patent. And the
03:44:02 16 question that they're presenting is concerning to us because
03:44:06 17 it's not really a fact question. It is question of claim
03:44:10 18 construction. And it's not just a question of claim
03:44:12 19 construction, but it's a question that this Court has
03:44:17 20 already addressed.

03:44:18 21 Now, the claim term pertains to the value of the
03:44:24 22 surface tension at the surface between the droplet and the
03:44:29 23 channel wall and how that compares to the surface tension at
03:44:35 24 the interface between the droplet and the carrier fluids.
03:44:37 25 And I have a picture that I can show you to help illustrate

03:44:41 1 that that I'll hand up if that will be acceptable.

03:44:46 2 THE COURT: Okay. I see you did not spare any
03:45:04 3 expense here.

03:45:06 4 MR. WALTER: So the surface tensions at issue,
03:45:11 5 what I am showing here is a channel. And I'm showing a
03:45:14 6 droplet that I've labeled as A, one of the droplets that is
03:45:18 7 within the channel. And there is an interface between the
03:45:21 8 droplet and the carrier fluid that surrounds it. That's the
03:45:24 9 interface A and B.

03:45:26 10 THE COURT: Yeah.

03:45:27 11 MR. POWERS: And then there is the interface A
03:45:30 12 and C. That's the interface between the droplet -- -

03:45:36 13 THE COURT: Yes. Keep going.

03:45:37 14 MR. WALTER: -- and the channel wall. And the
03:45:39 15 claim requires that the surface tension between the droplet
03:45:43 16 and the channel wall, the A and C interface, be higher than
03:45:47 17 the A to B interface. And what happens when that surface
03:45:53 18 tension relationship is met is that the plug prefers, as a
03:45:58 19 matter of energetics and thermodynamics, to not be on the
03:46:03 20 wall, but to be surrounded by the carrier fluid.

03:46:07 21 So when you have that surface tension
03:46:08 22 relationship satisfied, you don't have the droplets attached
03:46:13 23 to the wall. And the argument we got from them this morning
03:46:19 24 is that they believe the claims are indefinite because in
03:46:25 25 their product they say, the plug doesn't stick to the

03:46:28 1 channel wall.

03:46:28 2 THE COURT: Well, right. So, I mean,
03:46:35 3 indefiniteness doesn't have anything to do with the product
03:46:38 4 of the accused; right?

03:46:40 5 MR. WALTER: No, but it, frankly, really is a
03:46:44 6 meritless and definiteness argument.

03:46:47 7 THE COURT: Well, that's certainly not something
03:46:48 8 I'm going to decide today. You know, and Mr. Powers is
03:46:54 9 probably wondering what is it that he thinks he's going to
03:46:57 10 decide today. I'm not really going to decide anything
03:47:00 11 today.

03:47:00 12 I'm just trying to get educated so that I can
03:47:04 13 resolve this. So I want to think about this at some length.

03:47:08 14 MR. WALTER: They do connect the indefiniteness
03:47:10 15 argument to their products. The whole argument is that the
03:47:13 16 claims are indefinite, and it can't be measured in our
03:47:16 17 products.

03:47:16 18 THE COURT: No. No. I can understand that
03:47:18 19 because thinking as Mr. Powers was talking is he's basically
03:47:22 20 saying, We've got this argument. We're going to use it, I
03:47:25 21 imagine, to say we don't infringe where their burden of
03:47:31 22 proof is not so great, but we're also going to throw it in
03:47:33 23 as an indefiniteness argument where they've got clear and
03:47:36 24 convincing proof. Okay.

03:47:41 25 I mean, but I took it the argument, and part of

03:47:45 1 the reason why you mentioned the products and maybe he
03:47:47 2 mentioned the products, too, I don't remember, is that it's
03:47:51 3 actually -- I mean, it sounds to me that the same facts and
03:48:00 4 analysis are going to be used to argue noninfringement;
03:48:04 5 right?

03:48:05 6 MR. POWERS: We will be arguing noninfringement
03:48:08 7 on the grounds that they can't prove that the interface
03:48:12 8 tensions are of the ratio that the claim claims for sure.
03:48:17 9 Separately for indefiniteness purposes.

03:48:20 10 The purpose of indefiniteness, obviously, is to
03:48:22 11 allow parties in the wild to know whether their products are
03:48:26 12 infringing or not. It has to be to know that.

03:48:30 13 So that's a sense in which our products are
03:48:32 14 relevant. If our products have no such interface and can't
03:48:36 15 be measured, we have an expert who's very clear on that.
03:48:39 16 He's saying it's not possible at all. And the fact that
03:48:42 17 their expert had to construct an imaginary hypothetical
03:48:45 18 interface to do his job, I think supports that reasoning.

03:48:50 19 It means both are true. They have failed in
03:48:54 20 their burden of proof. They cannot show that our interface,
03:48:57 21 if it exists, we say it doesn't, our interface has the right
03:49:03 22 ratio because he hasn't tested our Applera products.

03:49:07 23 THE COURT: Well, so, Mr. Powers, maybe I'm
03:49:10 24 trying to be practical in a way that's not fair to what
03:49:13 25 you're trying to do, but how is it you're getting anymore

03:49:16 1 bang for your buck by this indefiniteness argument then just
03:49:20 2 by saying our product doesn't infringe?

03:49:22 3 MR. POWERS: That's a trial strategy question
03:49:27 4 and a question for the jury that I don't think is
03:49:29 5 appropriate for us to be deciding here.

03:49:31 6 THE COURT: Well, no. No. So you
03:49:34 7 misunderstand. I'm just asking: This is something that you
03:49:41 8 think you're getting something extra out of having this
03:49:43 9 indefiniteness argument?

03:49:45 10 MR. POWERS: We do, Your Honor.

03:49:46 11 THE COURT: Okay.

03:49:47 12 MR. WALTER: Let me address the point about why
03:49:49 13 they're not raising this as an infringement argument, as a
03:49:52 14 noninfringement argument. It's because they raise the
03:49:54 15 arguments as a noninfringement argument.

03:49:56 16 At the summary judgment stage, the very argument
03:49:59 17 they're raising now, which is that the interface doesn't
03:50:01 18 exist.

03:50:01 19 THE COURT: Yeah, but so presumably I granted
03:50:04 20 saying disputed material fact; right?

03:50:07 21 MR. WALTER: No, that's not what the Court said.

03:50:09 22 THE COURT: What did I say?

03:50:10 23 MR. WALTER: I'm going to hand up the Court's --

03:50:12 24 THE COURT: No. Well, no. You don't need to
03:50:13 25 hand it up. Just tell me: What did I say? I mean, it's in

03:50:16 1 the record somewhere.

03:50:17 2 MR. WALTER: What the Court said in response to
03:50:23 3 their argument that the claims require that the interface
03:50:26 4 exists, the Court said, "I see no support for defendants
03:50:31 5 attempting to limit the claims so as to require direct
03:50:34 6 contact."

03:50:35 7 That's what the Court said. The Court rejected
03:50:37 8 their argument that the interface must exist, and so we were
03:50:41 9 very surprised to see today that they're going to pursue an
03:50:44 10 indefinite argument based on that.

03:50:46 11 Now --

03:50:48 12 MR. POWERS: May I address that issue, Your
03:50:51 13 Honor?

03:50:51 14 THE COURT: In a minute, Mr. Powers.

03:50:53 15 MR. POWERS: All right.

03:51:01 16 MR. WALTER: For instance, here's another
03:51:03 17 example. We explained in response to their summary judgment
03:51:07 18 motion that nothing in the claims of the '083 patent
03:51:10 19 requires the plug fluid to be in actual physical contact
03:51:13 20 with the micro channel walls.

03:51:15 21 The Court responded, "I agree with plaintiffs."
03:51:18 22 So based on that, we were very, very surprised to see this
03:51:22 23 argument from them that we must prove that this interface
03:51:26 24 actually exists and -- go ahead, Your Honor.

03:51:29 25 THE COURT: No. No. No. Don't read too much

03:51:32 1 into my facial expressions. You go ahead.

03:51:35 2 MR. WALTER: So we're very surprised to see that
03:51:39 3 argument. Now, there is some other things that I need to
03:51:42 4 correct that Mr. Powers was --

03:51:43 5 THE COURT: Well, so actually, I appreciate what
03:51:46 6 you're doing, but I thought the question that you were
03:51:56 7 raising was not what are the merits of this indefiniteness
03:52:01 8 argument, but, you know, is it appropriate that the jury
03:52:06 9 have some involvement in it?

03:52:08 10 MR. REINES: Let me take it from here, Your
03:52:10 11 Honor. The issue is that the Court decided it was a matter
03:52:12 12 of claim construction in the Summary Judgment Order. That
03:52:15 13 it's a fallacy that the droplets touch the wall because the
03:52:19 14 whole point of the surface tension relationship is that they
03:52:22 15 don't touch the wall.

03:52:23 16 The Court understood that. We won that argument
03:52:26 17 of the claim. So you said as a matter of claim
03:52:28 18 construction --

03:52:28 19 THE COURT: But I said it in a summary judgment
03:52:31 20 opinion?

03:52:31 21 MR. REINES: As a matter of claim construction.

03:52:33 22 THE COURT: Did I say that --

03:52:35 23 MR. REINES: Yes.

03:52:35 24 THE COURT: -- this is how I'm construing the
03:52:38 25 claim?

03:52:38 1 MR. REINES: We wanted to hand it up. You can
03:52:40 2 look at it.

03:52:40 3 THE COURT: Okay. So here's --

03:52:43 4 MR. REINES: So it's meritless and it's --

03:52:45 5 THE COURT: So I get what your position is now,
03:52:48 6 I think. Mr. Powers, you don't really have to respond to
03:52:52 7 anything at this point, but if there's something you want to
03:52:54 8 say, I'll listen.

03:52:55 9 MR. POWERS: I'm happy to talk for a little bit.

03:52:57 10 THE COURT: Okay. I'm sorry, Mr. Reines.

03:53:01 11 MR. REINES: So let me just do two minutes more.

03:53:03 12 What they're trying to do, so their argument in
03:53:12 13 noninfringement that was now stated that should be dead
03:53:15 14 based on your SJ Order, is that there is no such interface
03:53:22 15 because it doesn't hit the wall.

03:53:23 16 And Your Honor got the point. If I could just
03:53:25 17 have like three minutes. And Your Honor got the point and
03:53:28 18 said, Wait, that's silly. Obviously, it doesn't hit the
03:53:30 19 wall. So you're looking for something that doesn't exist
03:53:33 20 because it's not supposed to exist. That doesn't mean that
03:53:35 21 the relationship doesn't happen.

03:53:37 22 And that's the theory of their expert on
03:53:43 23 invalidity. They were trying to be consistent. His
03:53:45 24 position was that there is no such thing that exists in
03:53:48 25 their product. And, therefore, it doesn't exist in a

03:53:52 1 working system; and therefore, you can't measure what
03:53:55 2 doesn't exist.

03:53:56 3 Mr. Powers cleverly is attempting to recast the
03:53:59 4 expert report to be something that it's not, something about
03:54:03 5 how good you can measure it or, you know, in other words,
03:54:05 6 are there instruments to measure it? What's the margin of
03:54:09 7 error, and that kind of factual question when that has
03:54:12 8 nothing -- none of that is addressed in the expert report.
03:54:14 9 That is not what their expert report position is. They
03:54:17 10 cannot morph this argument at this point.

03:54:19 11 When you go back -- because he knows, and it's
03:54:22 12 true, when you go back and look at your summary judgment
03:54:25 13 ruling, you'll see that your determination that their
03:54:28 14 argument that they're not infringing because the droplet
03:54:31 15 never hits the wall, so AC never actually exists. So you
03:54:34 16 can't measure it. It's the null set.

03:54:36 17 It was based on claim construction. You said,
03:54:39 18 It's silly to expect that that would actually occur.

03:54:41 19 Now, if we face the argument, we would say,
03:54:46 20 Okay, but then what you can do is you can put an
03:54:49 21 experimental setup where you put a channel wall, and you put
03:54:51 22 the droplets on there. And you see tension, and you see it
03:54:54 23 doesn't work.

03:54:55 24 That's not in a working system because in the
03:54:57 25 working system, it just rolls through, but you can measure

03:55:00 1 it. Their argument isn't, Well, that can't be measured in
03:55:04 2 an experimental setup. They have no opinion on that. And
03:55:06 3 that's the way he's trying to pivot. And we can show you
03:55:10 4 the expert report that says that because they're trying to
03:55:12 5 get around it with this 11th hour indefiniteness argument.

03:55:14 6 We thought it was gone which is why two weeks
03:55:16 7 ago we said, What indefiniteness argument? We wanted to get
03:55:20 8 this issue keyed up earlier.

03:55:22 9 We got it at noon today. We didn't know which
03:55:24 10 one because they've floated all amounts of arguments, as the
03:55:28 11 Court knows. So it's not fair that they have any live
03:55:30 12 argument on this at all because, as a matter of law, Your
03:55:33 13 Honor said that the idea that it's the null set because it
03:55:36 14 cannot happen is inconsistent with the claims.

03:55:40 15 THE COURT: Okay.

03:55:41 16 MR. REINES: Okay.

03:55:42 17 THE COURT: Okay. Thank you. Mr. Powers.

03:55:45 18 MR. REINES: And the only other thing I'd
03:55:47 19 mention, just as a bell and whistle to it, but another
03:55:50 20 parameter to this is in their unsuccessful IPR, it went to
03:55:58 21 final ruling, and they lost. And it has legal effect in
03:56:02 22 this proceeding.

03:56:03 23 They said they could construe the claim
03:56:05 24 limitation, and how they construed it was, if it's moving
03:56:09 25 through the channel, if the droplet is moving through the

03:56:11 1 channel, then it's satisfied. And they didn't say anything
03:56:15 2 about not understanding or not being able to measure it.
03:56:18 3 And they believe that, what we have where, that they're
03:56:20 4 allowed to pivot to a new argument.

03:56:22 5 We should be able to present the fact that in
03:56:25 6 another proceeding, they were very able, a proceeding that
03:56:28 7 was completed and is live in this proceeding, we should be
03:56:34 8 able to present that they knew exactly how to construe it
03:56:37 9 when they wanted to construe it, and they gave you the way
03:56:39 10 to do it.

03:56:40 11 THE COURT: Okay. Mr. Powers.

03:56:42 12 MR. POWERS: Thank you, Your Honor. This was
03:56:46 13 supposed to be about whether there's a factual question to
03:56:50 14 be submitted to the jury on the indefiniteness. That's what
03:56:53 15 this discussion was supposed to be.

03:56:55 16 THE COURT: Well, I mean, I think that's close.
03:56:58 17 I would say it really was -- your question is, how I would
03:57:02 18 put it, is: Is there a jury issue here? But --

03:57:05 19 MR. POWERS: That's what I meant to say.

03:57:07 20 THE COURT: -- it's pretty close.

03:57:08 21 MR. POWERS: I meant to say is: Is it a purely
03:57:10 22 legal question that the jury doesn't hear, or does our
03:57:12 23 question raise jury issues? I agree with your framing of it
03:57:16 24 perfectly.

03:57:16 25 And the issue that we're framing it as that's in

03:57:20 1 our expert reports is: Can it be measured? The claim
03:57:24 2 requires it be measured. Can it be measured?

03:57:27 3 The answer is no. And the fact that their
03:57:29 4 expert had to do some hypothetical interface that he made up
03:57:33 5 and estimated from that, I think shows why it's indefinite,
03:57:38 6 and certainly shows it's a fact question.

03:57:40 7 But we're not here to debate the merits. Now,
03:57:43 8 what I just heard was a three-minute summary judgment motion
03:57:47 9 made on five minutes' notice which I don't think is
03:57:50 10 appropriate to be argued. But I will note that the entire
03:57:53 11 premise of it as argued was that Your Honor's claim
03:57:57 12 construction held there did not have to be an interface.

03:58:00 13 Well, that's the opposite of what Your Honor
03:58:02 14 held. Your Honor held that the interface is in the claim,
03:58:06 15 so you certainly didn't hold that the claim doesn't say what
03:58:08 16 it says.

03:58:09 17 Your Honor certainly did hold, as I said in my
03:58:12 18 opening presentation, that there does not have to be direct
03:58:14 19 contact. But the claim says what it says, that you have
03:58:18 20 to -- the surface tension at one interface has to be higher
03:58:21 21 than the surface tension at another. That limitation was
03:58:24 22 not read out, and our point is they can't measure that
03:58:28 23 limitation.

03:58:29 24 And so where we are on that is that's an
03:58:33 25 indefiniteness claim with a factual question, I think,

03:58:36 1 undeniably.

03:58:37 2 THE COURT: All right. So thank you. So what
03:58:40 3 I'd like to do is some variation of this which is -- well, I
03:58:47 4 guess, you know, Mr. Powers, let's start with what you said,
03:58:52 5 which is you haven't met and conferred on this.

03:58:55 6 Do you think meeting and conferring on this will
03:58:58 7 make it go away?

03:59:00 8 MR. POWERS: On the fact law question, no.

03:59:02 9 THE COURT: Okay. Mr. Reines, do you think
03:59:07 10 meeting and conferring on this will make it go away?

03:59:10 11 MR. REINES: No, Your Honor. I think what will
03:59:11 12 make it go away is if we give you the expert report of their
03:59:14 13 expert, and you look at your SJ.

03:59:16 14 THE COURT: So, yeah. So what I'm thinking is
03:59:19 15 this: I think you need to write things to me. I think,
03:59:32 16 first off, Mr. Powers, and I appreciate this, you're not
03:59:36 17 going to mention in opening, and hopefully I can get this
03:59:39 18 resolved before too much time passes, but I'm hoping to get
03:59:47 19 it resolved, one way or another. And I guess even though
04:00:10 20 I've heard and at least understood a lot of the words you
04:00:15 21 said, Mr. Powers, I don't necessarily understand the entire
04:00:18 22 concept of what you're trying to communicate to me.

04:00:35 23 Well, so maybe the best way to do this is,
04:00:40 24 Mr. Reines, why don't you submit something that says why you
04:00:47 25 think I have done claim construction or something so as to

04:00:53 1 make this a purely legal issue to which there is no factual
04:00:57 2 component or anything else you want to tell me about why
04:01:04 3 this should not go to the jury. And then, you know, if
04:01:11 4 you're relying on expert reports, attach them.

04:01:18 5 And then I'll give Mr. Powers a chance to
04:01:20 6 respond in writing. And do we think that's enough
04:01:25 7 submissions to me on that?

04:01:28 8 MR. REINES: I think my guess is they're going
04:01:31 9 to be pivoting like we've seen, and so we can do something
04:01:36 10 very quickly and very short when you schedule it.

04:01:38 11 THE COURT: So with that in mind, when is the
04:01:42 12 first, Mr. Reines, that you can get in your thing to the
04:01:46 13 satisfaction that you or to the standard that you want it to
04:01:48 14 be?

04:01:49 15 MR. REINES: I would say -- I mean, would you
04:01:58 16 want us to do this cycle through the weekend so that you
04:02:02 17 have the --

04:02:02 18 THE COURT: Yes.

04:02:03 19 MR. REINES: That's what I was thinking.

04:02:04 20 THE COURT: I was kind of imagining that would
04:02:05 21 be --

04:02:06 22 MR. REINES: Yeah. So close of -- like close of
04:02:08 23 business tomorrow, is that -- because it now is four o'clock
04:02:11 24 on Friday, so we need some -- you know, we need a little bit
04:02:14 25 of time. But do you want --

04:02:16 1 THE COURT: So if you do the close of business
04:02:17 2 tomorrow, when do you expect him to come back?

04:02:20 3 MR. REINES: So I would say, you know, I guess,
04:02:22 4 like 24 hours, but --

04:02:24 5 THE COURT: Well, so --

04:02:25 6 MR. REINES: Why don't we do it at 3:00, and
04:02:26 7 they do it at 3:00, and we get something in by 7:00?

04:02:30 8 THE COURT: How is that schedule for you?

04:02:31 9 MR. POWERS: I don't think it's reasonable to
04:02:33 10 ask us to respond with a summary judgment motion on 24 hours
04:02:36 11 the weekend before opening statements.

04:02:38 12 MR. REINES: Your Honor, this is all a product
04:02:39 13 of the fact that we wanted disclosure of what their
04:02:42 14 indefiniteness argument was two weeks ago.

04:02:44 15 MR. POWERS: They've had that.

04:02:45 16 THE COURT: Hey. Hey. You know, I don't really
04:02:48 17 like it when we spend all our time arguing about who shot
04:02:51 18 who. So --

04:02:52 19 MR. REINES: Understood.

04:02:53 20 THE COURT: -- we've got this thing here.
04:02:59 21 Reasonable or not, I'm going to have to decide this.

04:03:03 22 So I take it -- actually, so let me think about
04:03:06 23 this. So, Mr. Powers, maybe a different way of doing this
04:03:09 24 is Tuesday is not a full day. It's Election Day. So the
04:03:16 25 earliest that you would possibly be bringing this up is

04:03:18 1 probably Wednesday; right?

04:03:21 2 MR. REINES: That's right.

04:03:22 3 THE COURT: Okay. So let's work backwards from
04:03:24 4 there. You have volunteered for whatever time you want
04:03:30 5 tomorrow.

04:03:31 6 MR. REINES: Fair enough.

04:03:33 7 THE COURT: And Mr. Powers, there's no good
04:03:37 8 times here, but when would you like to respond?

04:03:39 9 MR. POWERS: My suggestion, Your Honor, is to
04:03:42 10 handle it this way: It's entirely appropriate to ask for
04:03:47 11 prompt responses on the question, on the limited question of
04:03:51 12 whether there's a factual issue, or a jury issue, or whether
04:03:55 13 it's a purely legal question and should not go to the jury.
04:03:58 14 That I think we can do by Monday or Tuesday.

04:04:04 15 The proper format for the question they're now
04:04:07 16 trying to raise is a Rule 50 motion.

04:04:10 17 THE COURT: Well, so you say "the question
04:04:12 18 they're now trying to raise," but --

04:04:14 19 MR. POWERS: It's a summary judgment motion.

04:04:15 20 THE COURT: I think their basic argument is that
04:04:26 21 I've construed the claims so that you don't have a question
04:04:30 22 to ask; right?

04:04:32 23 MR. POWERS: I think that's the argument that
04:04:35 24 they want to make, but the position they've stated doesn't
04:04:37 25 support that. What they've said and what Your Honor did is

04:04:41 1 construe the claims so that direct contact is not required.
04:04:44 2 You did not go forward, based on that motion, and decide how
04:04:51 3 one determines what the interface is when they don't touch.

04:04:55 4 THE COURT: Well, I don't think that's an issue
04:04:56 5 that's going to be briefed. Is it?

04:04:58 6 MR. POWERS: Well, that's the issue they want to
04:05:00 7 raise to you. The issue they want to raise to you --

04:05:02 8 THE COURT: Well, so wait. Let me see whether
04:05:04 9 that is the issue. Mr. Reines.

04:05:05 10 MR. REINES: Right. The answer to the question
04:05:07 11 is that the indefiniteness argument that they had, that we
04:05:12 12 thought was gone by virtue of the summary judgment motion,
04:05:15 13 doesn't ask the questions that Mr. Powers is going to be
04:05:17 14 attempting to frame for indefiniteness. The expert report
04:05:24 15 depends on a claim construction that's inconsistent with
04:05:26 16 what the Court submitted in summary judgment, and that's
04:05:29 17 what we will brief.

04:05:30 18 We'll say this is what the Court said in summary
04:05:32 19 judgment. Here's the actual expert opinion that they have,
04:05:34 20 the only disclosed indefiniteness position they have on
04:05:37 21 this. And two are inconsistent.

04:05:39 22 Mr. Powers is going to try to create a new
04:05:42 23 indefinite argument, and that's inappropriate. That's
04:05:44 24 what's going on. That's the real --

04:05:47 25 MR. POWERS: May I respond briefly, Your Honor.

04:05:49 1 THE COURT: Sure.

04:05:50 2 MR. POWERS: Here's what I think fairly
04:05:54 3 described what happened. We moved for summary judgment
04:05:56 4 based on the fact that there was no interface because there
04:05:59 5 was no direct contact. Your Honor, in summary judgment
04:06:03 6 said, The claims don't require direct contact. Your Honor
04:06:06 7 did not say the issue wasn't briefed or discussed.

04:06:10 8 How then if there is no contact does one measure
04:06:13 9 that interface because the claim unambiguously requires that
04:06:17 10 the surface tension at one interface exceeds the surface
04:06:20 11 tension at another interface. Both interfaces have to be
04:06:23 12 present and measured.

04:06:26 13 And Mr. Reines is half right, but the wrong
04:06:31 14 half. He is right that our expert report, which was
04:06:33 15 rendered before Your Honor did summary judgment, did take
04:06:36 16 the position that contact was required for interface. I
04:06:39 17 think as a matter of claim construction, we obviously
04:06:41 18 disagree with your construction, but that's not for here.

04:06:44 19 Your opinion leaves wide open undecidedly what
04:06:50 20 you do when there is no contact. Now, normally, an
04:06:54 21 interface, you think of an interface as touching the
04:06:57 22 position of two things. That's the interface between them.

04:07:00 23 Now, if there's no contact -- and we understand
04:07:03 24 that's your construction. I'm not rearguing that -- the
04:07:06 25 claim, nonetheless, unambiguously requires measuring that

04:07:12 1 interface. What is that interface if there's no contact?

04:07:15 2 Who knows. That's the indefiniteness claim.

04:07:17 3 THE COURT: So --

04:07:18 4 MR. POWERS: How do you measure it? Who knows.

04:07:20 5 THE COURT: Wait a second, Mr. Powers.

04:07:22 6 Mr. Reines, one of the things that Mr. Powers says multiple

04:07:25 7 times is the claims require measuring an interface, the

04:07:34 8 interface, whatever that is. Do you agree with that?

04:07:36 9 MR. REINES: Yeah.

04:07:38 10 THE COURT: Okay. So what's the claim

04:07:42 11 construction dispute?

04:07:44 12 MR. REINES: So I mean, the issue can be stated

04:07:49 13 very simply. There is no claim construction dispute.

04:07:51 14 What's going on, I really think I'll help you right now.

04:07:54 15 Okay.

04:07:54 16 THE COURT: Okay. Well, you're making

04:07:56 17 Mr. Powers happy.

04:07:57 18 MR. REINES: Good. It's going to make things

04:07:58 19 simple, which is it's very simple. The indefiniteness

04:08:02 20 argument they have is dead because of Your Honor's claim

04:08:09 21 construction, and Mr. Powers is pivoting away from that. I

04:08:12 22 know I've said that several times.

04:08:14 23 He's now saying, Okay. Well, then how do you

04:08:16 24 measure it and all of that. That's not a preserved

04:08:20 25 indefiniteness argument. It's an 11th hour, Friday

04:08:24 1 afternoon before the trial experienced litigator's attempt
04:08:28 2 to add a new issue for the case. This is the disclosed
04:08:32 3 indefiniteness argument.

04:08:33 4 THE COURT: Okay. Well, so --

04:08:35 5 MR. REINES: So we don't have an expert report
04:08:37 6 on it.

04:08:37 7 THE COURT: So there's a lot of pivoting going
04:08:40 8 on, not just by Mr. Powers, because what you're telling me
04:08:44 9 now or what I'm understanding now is this is not a question
04:08:50 10 about whether you submit to the jury. This is a question
04:08:53 11 about whether this theory is adequately disclosed.

04:08:56 12 MR. REINES: We just got the articulation now.
04:09:01 13 I don't know how else to express it. So until today at
04:09:05 14 noon, what we had -- just if I --

04:09:07 15 THE COURT: Yeah. Yeah. Yeah.

04:09:09 16 MR. REINES: Please. What we had was the
04:09:12 17 indefiniteness argument as expressed by their expert, right,
04:09:17 18 that their interrogatories all incorporate that that's
04:09:20 19 disclosure of their indefiniteness theory.

04:09:23 20 It's inconsistent with the Court's Claim
04:09:26 21 Construction Order, so we didn't think there was one at all.
04:09:30 22 We said: What is the indefiniteness argument, because this
04:09:33 23 one's dead? There's others they had they've been moving
04:09:36 24 around.

04:09:37 25 We wanted to get it last week. At noon today,

04:09:39 1 we got it. And we said, Wait, that doesn't work because
04:09:44 2 it's either not disclosed, or it's resolved. That's what we
04:09:48 3 thought, that it was resolved.

04:09:49 4 Now, Mr. Powers, today it's being expressed for
04:09:52 5 the first time here, and I don't think accusations that
04:09:56 6 we're pivoting in any way is fair in any way. They don't
04:09:59 7 have anywhere in this case's massive pleadings file, a
04:10:03 8 disclosure of, Well, how do you measure it then based on the
04:10:07 9 Court's claim construction indefiniteness position? So how
04:10:10 10 was I to know about that?

04:10:11 11 THE COURT: Okay.

04:10:12 12 MR. REINES: And how was I to have expert
04:10:15 13 testimony --

04:10:15 14 THE COURT: All right. I understand what you're
04:10:17 15 saying.

04:10:17 16 MR. REINES: That's all there is to it.

04:10:21 17 THE COURT: Mr. Powers, so if the argument is
04:10:30 18 you didn't disclose what you're now telling me, what's your
04:10:36 19 response to that?

04:10:37 20 MR. POWERS: Our response is that it was
04:10:44 21 disclosed in our expert report. The expert says in plain
04:10:50 22 English that unless you have what he's calling a particular
04:10:52 23 three-point contact, you can't determine that surface
04:10:55 24 tension. It's not possible.

04:10:56 25 THE COURT: Okay.

04:10:57 1 MR. POWERS: That's in his report.

04:10:58 2 THE COURT: So.

04:11:00 3 MR. POWERS: That's not inconsistent with Your
04:11:02 4 Honor's construction. It's saying without that, it's
04:11:05 5 indefinite.

04:11:06 6 THE COURT: Okay. So do you think you both
04:11:17 7 agree that to the extent there's a question for me sort of
04:11:23 8 right now, it's whether the argument that presumably is
04:11:35 9 going to be put on through your expert is fairly disclosed
04:11:41 10 in the expert report? And then defendant says yes, and
04:11:47 11 plaintiff says no.

04:11:47 12 Is that the dispute here?

04:11:48 13 MR. POWERS: That's the dispute. And the normal
04:11:51 14 way you handle that dispute is, as when everything with an
04:11:56 15 expert is happening, you have what the expert is going to
04:11:58 16 testify to on slides exchanged under the Court's Order, and
04:12:02 17 you have a debate on a meet and confer about whether that is
04:12:05 18 within or without his disclosure.

04:12:07 19 Their argument today has moved from: Is there a
04:12:10 20 jury question to is it precluded by your summary judgment
04:12:15 21 ruling? I think we've moved off that one to now solely
04:12:18 22 whether it was preserved. And our expert says
04:12:21 23 unambiguously -- he said two things to be fair.

04:12:26 24 One is that there's no interface because there's
04:12:28 25 no three-point contact. And Your Honor's claim construction

04:12:32 1 we understand is inconsistent with that.

04:12:33 2 THE COURT: Got that.

04:12:34 3 MR. POWERS: But that doesn't mean the rest of
04:12:36 4 his opinion is precluded by your claim construction. That
04:12:39 5 just means he disagreed with you. You disagreed with him.

04:12:42 6 He then goes on to say without that three-point
04:12:45 7 contact, you can't measure the interface. That's an
04:12:47 8 indefiniteness position, and it's a factual indefinite
04:12:50 9 position. And that is our position here, and that is our
04:12:53 10 position that we're going to offer at trial on Wednesday or
04:12:57 11 Thursday.

04:12:57 12 And that is, I think, entirely consistent with
04:13:00 13 our attack on their expert who had to hypothesize an
04:13:04 14 imaginary interface in order to do his work. So it's all
04:13:07 15 consistent. There's no pivoting. It's disclosed. And
04:13:12 16 there's no reason for this one issue now to segregate it out
04:13:17 17 of the normal process because we're going to have concrete
04:13:21 18 slides that are exchanged. And they'll be able to look at
04:13:26 19 those slides and decide if they're within the scope of his
04:13:29 20 report or not. And they will be.

04:13:31 21 But if they disagree, there's a process to raise
04:13:33 22 that with you. None of that has been met and conferred on.
04:13:37 23 We're here now on the third argument in 45 minutes having
04:13:41 24 shifted off of argument one to two, and shifting from
04:13:44 25 argument two to argument three, none of which was briefed or

04:13:47 1 met and conferred on.

04:13:49 2 THE COURT: Yeah. And of course, you know,
04:13:51 3 you're busy telling me not unreasonably that, you know,
04:13:56 4 well, you can't write a brief on the weekend before trial
04:14:00 5 starts. It's not particularly easy to write the brief in
04:14:03 6 the middle of trial, either. And --

04:14:08 7 MR. POWERS: Exactly. There is a process to
04:14:10 8 resolve it. It's not to have us writing briefs just before
04:14:13 9 openings. I've got ten things I'd love to have them write
04:14:16 10 briefs on in the next few days. Why don't we tee those up.

04:14:21 11 THE COURT: You'll have your opportunity. So
04:14:29 12 thank you, Mr. Powers.

04:14:30 13 Mr. Reines, I can tell that you want to say some
04:14:32 14 more stuff.

04:14:34 15 MR. REINES: Yes. I just want to be simple that
04:14:37 16 the question is always the same, which is the Court's claim
04:14:41 17 construction, consistent with the indefiniteness argument
04:14:45 18 that's set forth by their expert, it never changed. It
04:14:48 19 never will change.

04:14:49 20 THE COURT: How long is the portion of their
04:14:51 21 expert report that we're talking about?

04:14:53 22 MR. REINES: It is four paragraphs. It's two --
04:14:57 23 it's really about a half page, but it's basically the
04:15:00 24 premise of it is that there is no -- is that the claims
04:15:07 25 require -- basically it's inconsistent with the claim

04:15:10 1 construction, that there is no such interface, so it can't
04:15:14 2 be measured, which is inconsistent with the Court's claim
04:15:17 3 construction which says there doesn't have to be one. You
04:15:20 4 know --

04:15:20 5 THE COURT: Okay.

04:15:22 6 MR. REINES: And so I think it's just a matter
04:15:24 7 of comparing these four paragraphs, which really constitutes
04:15:29 8 what we've been talking about, with the Claim Construction
04:15:30 9 Order. It's a summary judgment expression of what the
04:15:32 10 claims cover.

04:15:34 11 And that's it. I'm not pivoting. To the extent
04:15:37 12 either I'm right or wrong that they're moving away from the
04:15:40 13 expert report, you know, I don't see it as anything more.

04:15:44 14 MR. POWERS: It's really one sentence. I can
04:15:45 15 read it to you. Would you like to hear it, Your Honor?

04:15:48 16 THE COURT: Oh, sure.

04:15:50 17 MR. POWERS: One sentence. It's in the very end
04:15:53 18 of Paragraph 3548. Such three-phase contact line, I'm
04:15:59 19 quoting would be necessary to determine "the surface tension
04:16:04 20 at the plug fluid/micro channel interface."

04:16:09 21 That's not saying that there is no interface,
04:16:13 22 and that's why it's indefinite. He separately does
04:16:17 23 challenge, disagree with Your Honor's construction on
04:16:20 24 interface, but that's not what that is. He separately says
04:16:23 25 I can't figure out what the interface is if there's no

04:16:26 1 contact. That's a separate question of indefiniteness.

04:16:29 2 But if the question here is: Did we state in
04:16:32 3 his expert report that you can't determine the necessary
04:16:36 4 surface tension without that three-point contact that Your
04:16:42 5 Honor says is not required, the sentence, the single
04:16:44 6 sentence I just read did that.

04:16:46 7 THE COURT: I'm sorry. The single sentence did
04:16:48 8 that?

04:16:49 9 MR. POWERS: Expressed it in one sentence.

04:16:52 10 MR. REINES: And if you read the very short
04:16:54 11 piece of paper, you will see that all of it is based -- the
04:16:57 12 three-point contact is not present in a working system
04:17:01 13 because of their theory that it's required in a working
04:17:04 14 system. It says the specification of prosecution history
04:17:07 15 failed to inform that with reasonable certainty what
04:17:10 16 constitutes the plug fluid micro channel wall interface. We
04:17:14 17 don't know what constitutes it.

04:17:17 18 THE COURT: All right.

04:17:17 19 MR. REINES: In a working system, no such
04:17:19 20 interface exists. More specifically, a person would
04:17:22 21 understand that a working droplet system, a three-point
04:17:24 22 contact line does not exist. And then his sentence occurs.

04:17:30 23 THE COURT: Okay.

04:17:30 24 MR. REINES: So the issue is joined up.
04:17:32 25 Hopefully, this argument is helping because it's clear what

04:17:34 1 the issue is.

04:17:36 2 THE COURT: Well, things that are clear to you
04:17:39 3 may or may not be clear to me.

04:17:41 4 MR. REINES: Well, the answer may not be clear,
04:17:43 5 but the question is that: Does this expert opinion expand
04:17:47 6 beyond what the Court's construction was in the summary
04:17:50 7 judgment? The whole opinion is premised on the fact that
04:17:52 8 the claims require such an interface in order to be
04:17:55 9 consistent.

04:17:56 10 THE COURT: All right. So here's what I'm going
04:17:58 11 to do: If you have the two pages that have the four
04:18:03 12 paragraphs of the indefiniteness opinion, and at my leisure,
04:18:09 13 I will read them and review my summary judgment opinion so
04:18:15 14 that when this issue arises, I will be prepared to deal with
04:18:20 15 it. Unless one or the other of you wants to write something
04:18:26 16 before then, I'll wait and see what happens.

04:18:29 17 MR. REINES: Yeah. I mean, well, let me
04:18:33 18 consult, but I think that you'll be most of the way there
04:18:35 19 with this paper. But I'm going to hand it up.

04:18:38 20 Matt? Okay. Thank you.

04:18:44 21 MR. POWERS: Can you give me a copy of what
04:18:46 22 you're handing up?

04:18:47 23 MR. REINES: Oh, sure.

04:18:48 24 THE COURT: So there's two red tabs. Is that
04:18:50 25 supposed to be the --

04:18:52 1 MR. REINES: Yeah.

04:18:53 2 THE COURT: -- two?

04:18:54 3 MR. REINES: Yeah. I think those are the two
04:18:56 4 pages.

04:18:57 5 THE COURT: This is pretty funny. I take the
04:18:59 6 page numbered 1335 is where it starts -- oh, you really did
04:19:03 7 say Paragraph 3547, which I thought was --

04:19:07 8 MR. REINES: It's 1335 and 1336, Paragraphs 3546
04:19:13 9 through 3550.

04:19:15 10 THE COURT: I see Mr. Walter's nifty drawing.
04:19:22 11 Okay. All right.

04:19:23 12 Well, I've got this. And like I said, I will
04:19:25 13 look at it and probably expect to hear more from you on this
04:19:29 14 next week.

04:19:30 15 MR. POWERS: If I may, Your Honor, just for Your
04:19:34 16 Honor's reference, the sentence I read to you is the only
04:19:38 17 sentence that's not highlighted. It's at the top of
04:19:42 18 Page 1336.

04:19:42 19 THE COURT: Okay. Well, I was going to read
04:19:44 20 them all, even the ones that are not highlighted. But I see
04:19:47 21 it. Yes. Okay. Thank you.

04:19:49 22 All right. So that's about as much as we can do
04:19:53 23 on that.

04:19:57 24 So going back to the other thing which I wrote
04:20:02 25 down here is Quake, though, that was 45 minutes ago, so I

04:20:06 1 may have lost track here. So, you know, I spent most of
04:20:13 2 yesterday, at least my memory of it, asking Mr. Powers
04:20:18 3 questions about Quake, and what he was trying to do. And so
04:20:21 4 I got eight pages. You've submitted two pages saying
04:20:26 5 something or other.

04:20:28 6 One of the things that I'm curious about because
04:20:31 7 I didn't really ask you yesterday, Mr. Reines, is what do
04:20:37 8 you think about the question of whether or not you have to
04:20:46 9 show priority to whatever the date is that the provisional
04:20:54 10 application gives you priority to? And whose burden of
04:21:00 11 proof is it to do something in regards to that priority
04:21:04 12 date? And do you think the question of the priority date is
04:21:12 13 waived, or stipulated, or something else?

04:21:16 14 MR. REINES: Okay. So starting actually in
04:21:20 15 reverse order, their brief today or their memorandum, not
04:21:26 16 brief, accepts that they don't challenge priority. It
04:21:33 17 accepts that.

04:21:33 18 THE COURT: Does it?

04:21:34 19 MR. REINES: Yeah. The first paragraph of it is
04:21:41 20 that our position has been very clear. Our position being
04:21:46 21 Bio-Rad's that we're relying on the 2002 date. And then it
04:21:51 22 says 10X relied on that position to narrow their prior art
04:21:57 23 references.

04:21:57 24 So they relied on the date and selected prior
04:22:02 25 references respecting the priority date of 2002. What

04:22:06 1 they --

04:22:07 2 THE COURT: Okay. And so you interpret that
04:22:10 3 sentence to mean what exactly?

04:22:12 4 MR. REINES: To mean that they're respecting the
04:22:14 5 2002 date.

04:22:16 6 THE COURT: Yes. Well, I'm pretty sure that,
04:22:19 7 unless I really misunderstood, or there's been a pivot by
04:22:23 8 Mr. Powers since yesterday, they may be respecting the date,
04:22:27 9 but they still say you have to prove it.

04:22:29 10 MR. REINES: Right. And I'm saying if they're
04:22:32 11 respecting it and acknowledging it, and not contesting it,
04:22:35 12 why would you have to prove something?

04:22:36 13 THE COURT: All right.

04:22:37 14 MR. REINES: All right.

04:22:38 15 THE COURT: So let me just hold there. I'm
04:22:39 16 going to get back to you.

04:22:41 17 MR. REINES: Of course.

04:22:42 18 THE COURT: I take it, Mr. Powers, I'm not
04:22:44 19 misinterpreting what you've written here. You really don't
04:22:47 20 have to come up here. I really was hoping for a yes or no
04:22:51 21 when I get the question out here.

04:22:52 22 I take it your position is all this means is
04:22:55 23 they have to prove it. It doesn't necessary actually mean
04:22:58 24 anything.

04:22:59 25 MR. POWERS: It means if they want to have that

04:23:01 1 date, they have to prove it --

04:23:03 2 THE COURT: Okay. Okay.

04:23:06 3 MR. POWERS: It requires them putting it into
04:23:11 4 evidence.

04:23:11 5 THE COURT: I'm sorry?

04:23:13 6 MR. POWERS: Proving that the priority date goes
04:23:15 7 back to the provisional application requires that the
04:23:18 8 application be in evidence.

04:23:20 9 THE COURT: And does it also require that their
04:23:21 10 expert testify about this?

04:23:23 11 MR. POWERS: Or some other form of evidence, but
04:23:25 12 that would typically be how it's done, yes.

04:23:27 13 THE COURT: Okay. So Mr. Reines, now you can
04:23:33 14 come back up.

04:23:33 15 MR. REINES: Thank you. So since they don't
04:23:37 16 contest it, it makes it simple because in the pretrial
04:23:42 17 statement as an uncontested fact, it says the patent claims
04:23:47 18 priority to 2002. The burden of proof is always on them to
04:23:53 19 invalidate the patent, obviously.

04:23:55 20 THE COURT: Well --

04:23:55 21 MR. REINES: Our burden --

04:23:57 22 THE COURT: Well, so that is true, but I kind of
04:23:59 23 recall, as I've done this a couple times, but I couldn't
04:24:02 24 quite lay my hands on it, there's some cases where when you
04:24:12 25 have a provisional application, where I thought some kind of

04:24:18 1 burden might shift to you, the plaintiff, at some point. Am
04:24:21 2 I just wrong about that?

04:24:24 3 MR. REINES: No. The way I look at it, the
04:24:26 4 burden of going forward can be with us when presented with a
04:24:28 5 prior art -- you know, with a relevant prior art reference
04:24:31 6 or something that we respond to the burden of going forward.
04:24:35 7 Nothing shifted the burden to us, and the burden of going
04:24:38 8 forward is satisfied by the stipulated pretrial statement
04:24:41 9 that the patent claims that priority, and it's uncontested.
04:24:45 10 They're still not contesting it.

04:24:46 11 They're saying that they were unfairly
04:24:51 12 prejudiced by acquiescing to it. That's what the paper in
04:24:55 13 front of you says. It says we were unfairly prejudiced
04:24:58 14 because we dropped the Thorsen thesis as a prior art
04:25:02 15 reference in reliance on a 2002 date.

04:25:05 16 It's uncontested. It's stipulated that that's
04:25:08 17 the date that the patent claims, too.

04:25:12 18 THE COURT: And just to make sure that I've got
04:25:14 19 this --

04:25:15 20 MR. REINES: Sure.

04:25:15 21 THE COURT: -- the Pretrial Order, one of the
04:25:18 22 stipulations of fact is that the patent claimed priority to
04:25:21 23 this date that's in 2002?

04:25:23 24 MR. REINES: That's exactly. That's all it
04:25:25 25 says. It doesn't say they're not stipulating to the date.

04:25:27 1 They're --

04:25:28 2 THE COURT: No. No. No.

04:25:28 3 MR. REINES: -- agreeing that we don't have to
04:25:30 4 put in evidence that the priority claim is to that date. I
04:25:39 5 want to be clear.

04:25:39 6 THE COURT: And so is there a difference between
04:25:42 7 the priority claim as to 2002 and the priority date is 2002?

04:25:48 8 MR. REINES: No. It's just that they would have
04:25:51 9 the opportunity to contest it. But the thing is they didn't
04:25:54 10 contest it. They didn't put jury instructions on it.
04:25:56 11 They're just not contesting it. Right.

04:25:58 12 That's one of the points that I made. They
04:26:00 13 didn't put a priority set of jury instructions.

04:26:02 14 THE COURT: Yeah. Yeah. Well, great minds
04:26:05 15 think alike because I've gone to look that up myself, and I
04:26:08 16 saw, in fact, yeah, it sure doesn't appear to be an issue
04:26:13 17 that needs to be part of the jury instructions.

04:26:14 18 MR. REINES: From a case management perspective,
04:26:15 19 this is a classic Rule 16 issue where the Court has the
04:26:18 20 power to find facts not disputed and resolve for purposes of
04:26:22 21 managing a trial. And here is something where a claim
04:26:25 22 that's made. It's not contested. We don't have to put in
04:26:30 23 empty evidence to prove up a claim that's not in evidence
04:26:32 24 when it's problematic evidence as it is for a variety of
04:26:36 25 reasons.

04:26:36 1 THE COURT: All right. And is it your position
04:26:48 2 that, let's just say for the sake of argument, and go with
04:26:55 3 me on this, please.

04:26:56 4 MR. REINES: Sure.

04:26:57 5 THE COURT: So let's assume during the
04:26:59 6 invalidity case, they said that, Here's the Thorsen thesis.
04:27:06 7 It's from, you know, somewhere in between the provisional
04:27:10 8 application date and, I guess, the first one in the patent,
04:27:13 9 the actual application --

04:27:14 10 MR. REINES: Right.

04:27:15 11 THE COURT: -- that led to this. And I said,
04:27:19 12 Yeah. Yeah, you can admit that to challenge because that
04:27:25 13 antedates the patent.

04:27:27 14 Would that be sufficient in the normal kind of
04:27:32 15 case for them for you to have to do something more than just
04:27:38 16 say, Well, we claimed to an earlier --

04:27:40 17 MR. REINES: Absolutely. Absolutely. If that
04:27:42 18 was a preserved contention, we would definitely have to come
04:27:45 19 forward at that point.

04:27:47 20 So, I mean, burden of production can shift. The
04:27:50 21 point here is the argument that they're making in black and
04:27:53 22 white to you is that they relied on the date and argue it as
04:27:57 23 simultaneous invention under the ground factors for
04:28:03 24 secondary considerations where you don't have to meet the
04:28:05 25 priority date. That's the point of use. And that's so that

04:28:09 1 it shows simultaneous, at the same time.

04:28:11 2 It doesn't have to prove the priority. So
04:28:12 3 they're saying to you, We're relying on it, not as prior
04:28:16 4 art, but as a secondary consideration. And that's
04:28:18 5 prejudicial to us.

04:28:20 6 They're telling you they're not going to do the
04:28:22 7 very thing you said what if they did it. So we have to be
04:28:26 8 able to rely on this thing like this document that says
04:28:29 9 they're not going to contest priority, and they're not
04:28:33 10 asserting Thorsen because it predates it.

04:28:35 11 Now, I do have to say, I put it in the document,
04:28:38 12 but in case you didn't see it --

04:28:40 13 THE COURT: I haven't seen it.

04:28:41 14 MR. REINES: You have?

04:28:42 15 THE COURT: No, I have not seen it.

04:28:43 16 MR. REINES: So Thorsen, they say there would
04:28:45 17 have been an anticipation. Their expert never relied on
04:28:48 18 Thorsen as any combination.

04:28:50 19 THE COURT: So I'm satisfied, unless Mr. Powers
04:28:54 20 immediately tells me otherwise, they've withdrawn Thorsen as
04:28:57 21 an anticipatory reference; right?

04:28:59 22 MR. REINES: It was never --

04:29:00 23 THE COURT: Well, even whether it was or it
04:29:02 24 wasn't, it's been withdrawn.

04:29:03 25 MR. POWERS: It's not been withdrawn. Let me

04:29:08 1 lay out the history because I think it's important to
04:29:10 2 understand.

04:29:11 3 There's a lot of talk about pivoting. The state
04:29:15 4 of play was they asserted an interrogatory response that
04:29:20 5 they were claiming the priority date of the provisional
04:29:23 6 which would require them to prove that. We weren't
04:29:27 7 stipulating to it. We weren't saying it was uncontested.
04:29:30 8 Our expert report, in fact, challenged that.

04:29:34 9 But if they claim that date, Thorsen would not
04:29:38 10 be anticipatory prior art because it's too late. It's
04:29:43 11 between the provisional and the actual application date.

04:29:47 12 And so, yes, our expert report did not rely upon
04:29:50 13 Thorsen as anticipatory, only because we were relying on
04:29:54 14 their having said they're going to prove --

04:29:57 15 THE COURT: So, you know, we're all lawyers
04:30:01 16 here, so semantics is part of what we do. But if your
04:30:06 17 expert is not relying on it, isn't that the same thing as it
04:30:09 18 being withdrawn?

04:30:10 19 MR. POWERS: That is a semantic question. It
04:30:17 20 certainly was not asserted, but my point was, and this is
04:30:20 21 important to us at least, the pivot was not ours in trying
04:30:26 22 to put Thorsen up differently.

04:30:27 23 The pivot is theirs. And they are saying, We're
04:30:29 24 no longer going to rely on that provisional. In fact, we
04:30:32 25 don't want the provisional in evidence at all.

04:30:34 1 THE COURT: Right. Okay.

04:30:36 2 MR. POWERS: That is that pivot. And once they
04:30:38 3 don't rely on the provisional, and that change happened very
04:30:40 4 recently, now all of a sudden the priority date is 2003.
04:30:45 5 And now Thorsen is anticipatory prior art.

04:30:48 6 And so if Your Honor lets them do the pivot,
04:30:53 7 then we should not be prejudiced in the matter of not being
04:30:57 8 allowed to raise Thorsen. Because now Thorsen is
04:31:01 9 anticipatory prior art, and I should be able to
04:31:04 10 cross-examine Dr. Ismagilov about it, and their expert about
04:31:09 11 it, and do whatever we can do within the rules, because it
04:31:14 12 is anticipatory prior art if they don't claim it. And the
04:31:17 13 pivot is theirs, and we should not be prejudiced by that.

04:31:20 14 THE COURT: All right. So there is a legal
04:31:25 15 issue here based on this stipulation that Mr. Reines
04:31:33 16 referenced because your position, I think, is on this
04:31:42 17 record, they still have to put on evidence to prove the 2002
04:31:50 18 priority date.

04:31:51 19 MR. POWERS: Absolutely.

04:31:52 20 THE COURT: Mr. Reines' position is, no, we
04:31:55 21 don't; right?

04:31:58 22 MR. REINES: Right.

04:32:00 23 THE COURT: Okay.

04:32:01 24 MR. POWERS: And my view of that, just to follow
04:32:02 25 down Your Honor's line, is if the provisional is not in

04:32:06 1 evidence, just looking at what the evidence will be on a
04:32:09 2 Rule 50 motion and on appeal down the road, if the
04:32:12 3 provisional is not in evidence, they are not going to get
04:32:15 4 that 2002 date. Thorsen is going to be in evidence because
04:32:18 5 it's in our expert report about simultaneous invention. It
04:32:22 6 was there for simultaneous invention only because they were
04:32:25 7 claiming the provisional date before it.

04:32:27 8 THE COURT: Yeah. I get what you're saying.

04:32:28 9 MR. POWERS: So it's in evidence. It's in the
04:32:30 10 record, and they can't support then the priority date going
04:32:35 11 back to 2002. So now the record is what it is, but they
04:32:41 12 will not have proved a priority date that they're trying to
04:32:44 13 claim.

04:32:45 14 THE COURT: Okay. So here's what I think. So I
04:32:53 15 take it a couple of things.

04:32:55 16 One of which is the way I look at this is the
04:33:17 17 defendant wants this piece of evidence in, and they are
04:33:21 18 doing whatever it takes to get that piece of evidence in,
04:33:26 19 including doing things that I think are pretty close to the
04:33:32 20 line that they shouldn't be passing. I think that as a
04:33:47 21 matter of what's happened here, there is actually no dispute
04:33:53 22 that the priority date is 2002. That's what I think.

04:34:00 23 MR. POWERS: It's in our expert report disputing
04:34:02 24 it.

04:34:02 25 THE COURT: What?

04:34:03 1 MR. POWERS: It's in our expert report disputing
04:34:05 2 it.

04:34:05 3 THE COURT: Yeah, but that doesn't matter. The
04:34:07 4 parties get closer and closer to trial and just because in,
04:34:15 5 you know, 2000-page expert reports, you dispute that the sun
04:34:21 6 rises in the morning --

04:34:22 7 MR. POWERS: We don't.

04:34:24 8 THE COURT: So you know I don't really care that
04:34:27 9 somewhere in the vast amounts of time and effort that have
04:34:31 10 gone into this, people have said almost everything at some
04:34:35 11 place or another. I think, as a practical matter, you've
04:34:40 12 stipulated to it.

04:34:43 13 I know that you're sitting here saying, no, I
04:34:45 14 haven't, and that's the reason why I'm kind of curious about
04:34:49 15 what exactly the burdens of proof are here because I think
04:34:55 16 it's ridiculous to say the plaintiff should have to prove
04:35:00 17 this when I think you've stipulated to it.

04:35:04 18 On the other hand, there are many good reasons
04:35:08 19 why the Federal Circuit might reverse me in this case, but I
04:35:11 20 think that would be a bad reason. And so I'm also inclined
04:35:17 21 to think, yeah, you know, because I believe Mr. Reines has
04:35:23 22 an expert who can testify about this and actually prove it
04:35:28 23 up with the provisional application. And so my kind of
04:35:32 24 inclination is to say, All right, maybe the better thing to
04:35:38 25 do would be to require him to prove it up. And because I

04:35:42 1 think you're playing games, I'll take one half hour or
04:35:50 2 20 minutes, whatever it turns out of your time, and give it
04:35:53 3 to him to do this because I do think you're playing fast and
04:36:13 4 loose.

04:36:14 5 MR. POWERS: May I address that, Your Honor, or
04:36:16 6 at least answer the question, because I never want to be
04:36:18 7 anywhere close to the line that the Court thinks we're
04:36:22 8 passing. And I want to know what it is you're concerned
04:36:24 9 about first, but I do want to lay out where I think it is.

04:36:27 10 THE COURT: Well, I mean, that's a fair
04:36:29 11 question. And you may or may not think so, but I've been
04:36:34 12 trying to pick my words carefully. I think you've agreed
04:36:39 13 that the priority date is 2002, and I think that in these
04:36:45 14 cases what I see is when people agree to things, you don't
04:36:50 15 need to put on testimony about them.

04:36:53 16 We have a very limited amount of time, and you
04:36:58 17 know, plaintiff has dropped a patent. You know, I'm not
04:37:05 18 commenting on that other than to say that's what people do.
04:37:07 19 They narrow it down so we can get to the heart of the
04:37:10 20 matter.

04:37:10 21 And you know, so what I see is even though I
04:37:16 22 don't really think you have a leg to stand on, you're
04:37:20 23 arguing about this priority date so that you can increase
04:37:24 24 your odds of getting the provisional application into
04:37:28 25 evidence and doing all the things you want to do with it,

04:37:31 1 which you have plenty of arguments that are not dependent on
04:37:35 2 this priority date thing for why you might or might not be
04:37:38 3 able to get it into evidence. But I think you're adding on
04:37:46 4 an argument that I don't think you should be making.

04:37:51 5 MR. POWERS: If I may address that question,
04:37:54 6 because we would never be doing something that we think is
04:37:58 7 playing fast and loose. That is just not what we do. We
04:38:02 8 take our responsibilities incredibly seriously.

04:38:04 9 We did not agree that the date is 2002. We
04:38:10 10 agreed -- not even agreed. There's no agreement. We
04:38:14 11 believe that it's highly likely that if they relied on the
04:38:20 12 provisional to prove the 2002 date, they would prevail in
04:38:24 13 that. That's not agreeing to the date. We'd much rather
04:38:30 14 have the date be the original filing date of 2003 because
04:38:34 15 then the Thorsen thesis is anticipatory prior art.

04:38:38 16 THE COURT: But the thing is, you know, that's
04:38:41 17 gone. No matter what the priority date is, it's too late to
04:38:46 18 be arguing the Thorsen thing as an anticipatory reference.

04:38:50 19 MR. POWERS: Well, with respect, Your Honor, and
04:38:55 20 the reasonable minds will disagree, from our point of view,
04:39:01 21 they're the ones that made the last-minute change. And we
04:39:03 22 shouldn't be prejudiced by that.

04:39:05 23 So let's just be clear. The posture all the way
04:39:10 24 up until now is that they were going to prove the 2002 with
04:39:14 25 the provision. That was the posture.

04:39:18 1 They're now trying to change from that, and
04:39:20 2 withdraw the provision, and not claim that priority date
04:39:23 3 because if it's not in evidence --

04:39:25 4 THE COURT: Well, if they want to claim that
04:39:26 5 priority date, they are not changing. What they don't want
04:39:30 6 to do is to have to prove something, to take time proving
04:39:35 7 something that's not in dispute.

04:39:38 8 MR. POWERS: It's not that it's not in dispute.
04:39:41 9 It's that if they proved it, they would win the argument.
04:39:44 10 That's our point.

04:39:44 11 We went on the assumption that if they proved
04:39:47 12 the 2002 date with the provisional and put on their expert,
04:39:51 13 they would probably prevail in that position. It doesn't
04:39:54 14 mean we agree that that date is the date. There are
04:39:57 15 hundreds of issues out there.

04:39:58 16 THE COURT: But, you know, I actually don't
04:40:03 17 think you're right on that because when you say, you know,
04:40:13 18 it's 95-percent chance you're going to win on that, so
04:40:17 19 that's not going to be an issue, you know, we would never
04:40:22 20 get anywhere if we had to keep putting on testimony about
04:40:25 21 all these things that we're not going to contest. I mean,
04:40:28 22 that's what we do, the contested issues.

04:40:30 23 That's what we have in a trial, the contested
04:40:33 24 issues. It's not a contested issue.

04:40:35 25 MR. POWERS: It's listed in the pretrial

04:40:36 1 statement as an issue. It's in our expert report.

04:40:38 2 THE COURT: But everything else, Mr. Powers,
04:40:40 3 states that you have no bona fide issue of contesting it.

04:40:44 4 MR. POWERS: If they put on the proof, we're
04:40:48 5 going to be operating as if they're going to win that
04:40:50 6 argument. It doesn't mean we're conceding that without the
04:40:52 7 proof -- and if Your Honor -- and so let me just be clear.
04:40:57 8 We are not insisting that they put it in. That's their
04:41:02 9 decision.

04:41:05 10 My point is that if it's not in evidence, that
04:41:10 11 has downstream consequences in terms of what the priority
04:41:14 12 date is because in terms of when you look at the record on
04:41:17 13 appeal, the record on appeal is what it is. And --

04:41:21 14 THE COURT: Well, one of the things on appeal is
04:41:23 15 going to be: Is it a contested issue or not? This is not
04:41:27 16 like a criminal case where issues that are not contested
04:41:32 17 are -- well, I'm sorry, due process, the defendant doesn't
04:41:36 18 get -- he didn't prove that he was insured by the FDIC, so
04:41:40 19 the defendant wins.

04:41:41 20 MR. POWERS: We'll just have to agree to
04:41:44 21 disagree about whether it's a contested issue. My belief is
04:41:49 22 that if it's in the Pretrial Order as a contested issue, and
04:41:54 23 if it's in our expert's report as a contested issue, that
04:41:57 24 makes it a contested issue. Your Honor has said otherwise.
04:42:00 25 I'm not going to fight it anymore.

04:42:01 1 MR. REINES: Your Honor, may I address --

04:42:03 2 MR. POWERS: May I finish?

04:42:04 3 THE COURT: You may finish, Mr. Powers.

04:42:06 4 MR. POWERS: Thank you. So I do not want at
04:42:12 5 all, Your Honor, to think that we are making them put on a
04:42:15 6 half hour's worth of evidence for no purpose. And from our
04:42:22 7 point of view, having the provisional in evidence has two
04:42:26 8 purposes and two only.

04:42:29 9 One is it proves their priority date claim. And
04:42:34 10 if Your Honor is just going to uphold, based on this record,
04:42:37 11 that they get that date without any proof, then that's a
04:42:42 12 holding Your Honor is going to make, and we'll just live by
04:42:44 13 it, obviously. And that reason for it goes away. But
04:42:47 14 that's your decision, not mine.

04:42:48 15 The second is we want to show the copying or the
04:42:52 16 identity of pages and, you know, that is, in our view, for
04:42:59 17 reasons we've described at length yesterday, and the brief
04:43:02 18 today, a legitimate use of that provisional. If Your Honor
04:43:08 19 does not want us to do that with the provisional, and
04:43:12 20 particularly if Your Honor thinks that we're playing games
04:43:15 21 in some way with time, which we're not, then we will just
04:43:19 22 say, Fine. We'll do it with this patent because Your Honor
04:43:22 23 said clearly yesterday that it would be fair game to take
04:43:24 24 his patent and show what was identical.

04:43:27 25 So you know, if that's where we are, if Your

04:43:31 1 Honor thinks that for some reason that the provisional is
04:43:35 2 playing games --

04:43:37 3 THE COURT: No. No, I don't. In terms of what
04:43:40 4 you want to do with the provisional in terms of the copying
04:43:45 5 and all that, I mean, that's an issue, but I have no
04:43:49 6 concerns about the way you're raising the issue. I mean,
04:43:52 7 you're doing what you should be doing.

04:43:55 8 MR. POWERS: My only point then on the second
04:43:57 9 purpose, because there's only two purposes, is that we
04:44:01 10 believe that if they have a claim for priority back from the
04:44:06 11 original date, filing date of 2003, and they want to Claim a
04:44:11 12 2002 date to avoid Thorsen, they have to prove it. If they
04:44:16 13 don't, in our view, legally they don't get the date, and
04:44:21 14 Thorsen has greater impact. But if Your Honor is going to
04:44:23 15 rule otherwise, then just hold it.

04:44:25 16 THE COURT: So let me just ask you, Mr. Powers,
04:44:30 17 because if the provisional application is an exhibit that's
04:44:43 18 admitted into evidence, are you satisfied that that is all
04:44:48 19 they need to do for the 2002 priority date?

04:44:54 20 MR. POWERS: Well, I mean, Your Honor's rules
04:44:58 21 are clear that you have to have an expert witness talking
04:45:01 22 about it.

04:45:01 23 THE COURT: Yeah. Yeah. Yeah. So you know,
04:45:04 24 I'm trying to --

04:45:08 25 MR. POWERS: I think five minutes of testimony

04:45:09 1 from their expert, plus the exhibit in evidence would be
04:45:13 2 sufficient for them to make their case about being entitled
04:45:19 3 to the 2002. Whether that case is sufficient is for
04:45:23 4 somebody else to decide, Your Honor, Rule 50, or something
04:45:26 5 else, but that's what they would need to put forward their
04:45:28 6 position.

04:45:31 7 THE COURT: Okay. Thank you.

04:45:36 8 Mr. Reines.

04:45:37 9 MR. REINES: Yes, Your Honor. So the argument
04:45:39 10 that's being made to be clear is that they detrimentally
04:45:43 11 relied on our conduct of asserting a priority to drop. And
04:45:50 12 they've been clear, they're not arguing Thorsen prior art
04:45:52 13 under, you know, the way the case has played out.

04:45:55 14 They're arguing simultaneous invention. They've
04:45:58 15 been clear, and that's what we're relying on. But their
04:46:02 16 detrimental reliance argument is that because we said we
04:46:07 17 could get priority, they abandoned things that they would
04:46:10 18 have done.

04:46:10 19 Let me just put this in a different context. If
04:46:13 20 someone said to you, I'm arguing Claims 1 and 2, not just
04:46:18 21 Claim 1, and the other side said, Well, if you're adding
04:46:21 22 Claim 2, then we're going to drop the validity case, too,
04:46:25 23 would be so valid, we would just look stupid. We'd be
04:46:29 24 quibbling.

04:46:30 25 And then it gets to trial, and they drop Claim

04:46:32 1 2. And the person said to you, Look, we relied on the fact
04:46:35 2 that Claim 2 was in and dropping our validity arguments.
04:46:37 3 Now, we want our validity argument back and Claim 1, or make
04:46:40 4 them keep Claim 2 in which is more analogous. Like no one
04:46:44 5 would ever. So those arguments just don't go anywhere.

04:46:48 6 What I don't want to lose sight of and what I
04:46:51 7 want the minutes to raise is the serious 403 issues around
04:46:55 8 this indirect way of showing obviousness through -- even if
04:47:00 9 it was relevant. They want to tender the document.

04:47:04 10 So that should never happen because they want to
04:47:06 11 make us tender the argument. I mean, it's wrapped around
04:47:09 12 the axle what even they want us to do, but they can't
04:47:12 13 present the provisional because it's a 403 violation, in our
04:47:17 14 mind, because it's an indirect way to unfairly slur and say,
04:47:24 15 There's 50-percent copying, so therefore, there's
04:47:27 16 obviousness. So on obviousness and any other thing, it's
04:47:29 17 indirect, and it's basically a resort to the basic motive of
04:47:34 18 the jury. And that's inappropriate. They have the
04:47:37 19 technical analysis.

04:47:38 20 Now, on the second half of it, which is the
04:47:42 21 attack they want to make on Professor Ismagilov for ever
04:47:46 22 being a copyist and on the credibility, that raises 403
04:47:51 23 issues, too. In their nine-page, or six-page, or however
04:47:55 24 long it was, they don't cite any rule. In fact, they're so
04:48:00 25 bereft of a rule, they say academic principles without

04:48:04 1 citing what they are. And how do academic principles apply
04:48:06 2 to a provisional --

04:48:09 3 THE COURT: Well, you know, I don't have any
04:48:10 4 problem with that. I mean, that's part of what
04:48:13 5 cross-examination is is they're going to have to lay a
04:48:17 6 foundation to make anything that actually has an impact.
04:48:23 7 And you know, I can't really tell too much about that until
04:48:25 8 they actually try to do it.

04:48:27 9 MR. REINES: We've put our strong 403 argument
04:48:30 10 on that, and excluding at the same time a final and complete
04:48:35 11 ex parte re-examination where the argument was made and
04:48:38 12 rejected, is just a tilt of the balances. That's being
04:48:44 13 distracted by this game they're playing on the provisional.

04:48:46 14 THE COURT: Yeah, so there is two.

04:48:53 15 MR. REINES: Those are serious 403 concerns. I
04:48:56 16 mean, I think you see it. It may come out a different way
04:48:58 17 on it.

04:48:59 18 I mean, how could it not be an unnecessary
04:49:02 19 satellite detour to go into whether the copying was actual
04:49:08 20 copying of background or not background and all that?

04:49:11 21 THE COURT: Well, so Mr. Reines, I'm going to
04:49:15 22 ask you, I'm not going to oblige you to tell me because it
04:49:24 23 may never come up, but maybe it would sacrifice some
04:49:28 24 privilege or whatever, but: Do you want to tell me what
04:49:30 25 Dr. Ismagilov would say about the Quake that appears in his

04:49:34 1 patent either in the --

04:49:35 2 MR. REINES: Oh, there's very little in his

04:49:37 3 patent, but --

04:49:38 4 THE COURT: Well, there's quite a lot of stuff

04:49:39 5 that's highlighted in yellow that I saw.

04:49:41 6 MR. REINES: No, that's the provisional.

04:49:43 7 THE COURT: I'm sorry?

04:49:44 8 MR. REINES: That's the provisional.

04:49:45 9 THE COURT: Well, I also looked at the patent,
04:49:47 10 and there's quite a lot of stuff that's highlighted in that,
04:49:49 11 too.

04:49:50 12 MR. REINES: Right. I think -- I mean, I
04:49:51 13 haven't -- he's coming in this weekend. He's a professor at
04:49:55 14 Caltech. This isn't his show, but I believe that was done
04:49:58 15 in the patent prosecution process.

04:50:01 16 THE COURT: Yeah. So I'm sure that's true
04:50:05 17 because that's where it was submitted.

04:50:08 18 Can you be more specific as to what you mean?

04:50:10 19 MR. REINES: I mean, there's privilege issues
04:50:12 20 around it or whatever.

04:50:13 21 THE COURT: That's the reason why I'm saying you
04:50:15 22 don't have to answer, but I'm saying if you've got
04:50:17 23 something, and you do want to tell me.

04:50:19 24 MR. REINES: I don't believe Professor Ismagilov
04:50:21 25 did the copying, to the extent there was copying. I think

04:50:24 1 he relied -- and it's taught to patent prosecutors to you
04:50:31 2 may reuse and not reuse them, not redo the wheel.

04:50:35 3 Now, in their document, I mean, it sounds like
04:50:38 4 it's going to be the Wild West on this, but in their
04:50:41 5 document, they're suggesting he violated his inventorship
04:50:45 6 oath and --

04:50:45 7 THE COURT: Well, so --

04:50:47 8 MR. REINES: And so I can't believe we're not
04:50:49 9 having inequitable conduct standards on this.

04:50:53 10 THE COURT: Well, so here's what I'm thinking
04:50:58 11 about doing on sort of the cross-examination of
04:51:03 12 Dr. Ismagilov on the subject of copying, whether it's the
04:51:13 13 patent, or the provisional, or patents.

04:51:18 14 MR. REINES: If we make this an inequitable
04:51:21 15 conduct issue that the Court hears beforehand, it will never
04:51:24 16 pass that test.

04:51:25 17 THE COURT: No. No. Let me finish, please.

04:51:28 18 To me, you know, part of cross-examination is
04:51:35 19 you don't necessarily know where things are going to end up.
04:51:41 20 Mr. Powers and his side have, as far as I can see, good
04:51:48 21 reasons to want to set up a cross-examination to establish
04:51:55 22 that maybe Dr. Ismagilov is not quite as great as he will be
04:52:02 23 made to appear during direct examination.

04:52:06 24 That's legitimate. That's what you have
04:52:08 25 cross-examination for.

04:52:10 1 But I do have concerns along the Rule 403 line
04:52:22 2 for where such cross-examination might go and what it might
04:52:30 3 be argued to show. And what I was thinking is, you know,
04:52:39 4 there is in a general kind of way, not that much -- and so
04:52:48 5 when we start talking about duties of candor or other things
04:52:53 6 that are Patent Office requirements that are irrelevant to
04:52:59 7 obviousness, in my opinion, those are bad places to go
04:53:05 8 because they suggest to the jury deciding the case on some
04:53:09 9 impermissible basis.

04:53:12 10 You know, when the theory is, Come on. You're
04:53:15 11 an academic. You just don't go copying people's stuff
04:53:19 12 without actual attribution. You know, that strikes me as
04:53:25 13 much fairer.

04:53:31 14 I mean, who knows what his response might be.
04:53:33 15 But, you know, not knowing what his response might be is not
04:53:37 16 a reason to say, Well, he can't do it. It's a reason to let
04:53:41 17 the cross-examination occur, and we'll see what happens.

04:53:49 18 But I am thinking, and I guess, Mr. Powers, I'd
04:53:53 19 be interested in knowing or hearing from you on this just
04:53:57 20 briefly, but I'm thinking that the cross-examination
04:54:01 21 shouldn't be anything that refers to something that suggests
04:54:08 22 even obliquely that he was doing something wrong vis-a-vis
04:54:12 23 the Patent Office' practices.

04:54:15 24 MR. REINES: Let me just say one thing before he
04:54:17 25 says that. He's going to get up and tell you he would never

04:54:19 1 do that. Look at the paper that they submitted today where
04:54:21 2 they say inventorship oath is violated.

04:54:24 3 THE COURT: Well, okay.

04:54:26 4 MR. REINES: Well, okay. It's relevant; right?

04:54:28 5 THE COURT: But the point is that's the reason
04:54:30 6 I'm asking it now because if he tells me now, no, no, no,
04:54:33 7 I'm not going to do that, I'm perfectly willing not to do
04:54:39 8 that, I'm going to take him at his word.

04:54:41 9 MR. POWERS: I'm perfectly willing not to do
04:54:43 10 that.

04:54:43 11 THE COURT: Okay. Thank you. All right.

04:54:49 12 So I'm still thinking about the provisional
04:54:56 13 application in terms of either the cross-examination or
04:55:07 14 possibly for some other purpose, though I think it's more
04:55:10 15 for cross-examination, but there are a number of moving
04:55:17 16 parts here. It is hard to say much definitively until I
04:55:23 17 actually see -- I mean, that's the usual. In my experience,
04:55:29 18 with cross-examinations, if you can rule a topic out, you
04:55:32 19 rule a topic out. But if it's not ruled out, then you kind
04:55:36 20 of have to see what happens.

04:55:37 21 Let me think about this for a second. And I
04:55:45 22 guess the other thing I would be asking, Mr. Powers, is
04:55:51 23 this: Let's assume for the sake of argument that the
04:55:59 24 provisional is in evidence, and you can cross-examine
04:56:05 25 Dr. Ismagilov on that. And you bring out that 50 percent of

04:56:13 1 it or, you know, 16 pages of it are essentially what's in
04:56:17 2 Quake, it does strike me -- and I think we talked about this
04:56:27 3 the other day, it does strike me that essentially the jury
04:56:35 4 shouldn't be asked to decide obviousness based on a quantity
04:56:40 5 as opposed to a quality of what is in that, what comes from
04:56:46 6 Quake that appears in either the provisional or the patent
04:56:49 7 itself.

04:56:51 8 And so what I'm thinking is that an argument
04:57:04 9 that, Well, look, 50 percent of this comes from Quake, that
04:57:09 10 that's a misleading argument. Do you have any comment on
04:57:19 11 that?

04:57:19 12 MR. POWERS: I think that were that the only
04:57:22 13 argument, it would not be a persuasive argument. I think an
04:57:26 14 argument that says, Here are key aspects of the patent that
04:57:31 15 are critical to what he's claiming as his invention, which
04:57:35 16 came straight from Quake, and show several of those, and
04:57:41 17 explain why they're critical, and key, and relate directly
04:57:45 18 to the claims, I think that, and the full extent of the
04:57:52 19 copying shows how important he knew Quake was generally to
04:57:56 20 his invention. I think the combination of that is a fair
04:57:59 21 argument.

04:58:00 22 I think a simple mask quantitative comparison
04:58:04 23 that doesn't have any tie to the merits would not be a
04:58:09 24 persuasive argument.

04:58:09 25 THE COURT: Right. But not being a persuasive

04:58:12 1 argument, honestly, it says nothing in terms of what I'm
04:58:18 2 interested in which is --

04:58:21 3 MR. POWERS: I think the combination is fair
04:58:23 4 which I think is the question that Your Honor has raised.

04:58:26 5 THE COURT: Well, you say "the combination." I
04:58:28 6 think what you're talking about is what you were just
04:58:30 7 talking about, Here's some examples, blah, blah, blah.

04:58:33 8 So one of the things that I'm thinking about is
04:58:39 9 saying, and you cannot make the mathematical argument
04:58:43 10 whether it's persuasive or not persuasive.

04:58:47 11 MR. POWERS: I'm comfortable not saying it's 16
04:58:49 12 of 34 pages or whatever it is. I do think it's fair to
04:58:54 13 show, for example, on a slide or a board the portions that
04:58:58 14 were highlighted because it's true. It's evidence. And
04:59:05 15 then to show the particular pieces that you want to focus on
04:59:08 16 as being critical to the inventions, I think that's a fair
04:59:11 17 argument.

04:59:13 18 THE COURT: Okay.

04:59:14 19 MR. POWERS: I do want to make one thing clear
04:59:18 20 in response to a comment Your Honor made.

04:59:20 21 THE COURT: All right.

04:59:21 22 MR. POWERS: If the price Your Honor is going to
04:59:25 23 exact for having the provisional is a half hour for our
04:59:30 24 time, I don't want to pay that price. I don't think I
04:59:32 25 should have to for the reasons I've described. I think it's

04:59:35 1 their burden to prove the priority date, and they either do
04:59:38 2 or they don't.

04:59:39 3 If they don't, they bear the consequences of
04:59:42 4 that, in my view. And I understand Your Honor may disagree
04:59:46 5 because you may uphold them, notwithstanding what I think
04:59:49 6 the disputes are. You're going to give them that date
04:59:52 7 without proof. And so if you do that, we'll go from there.

04:59:56 8 THE COURT: So let's do this: One of the things
05:00:07 9 that would help me, Mr. Reines, or actually either one of
05:00:15 10 you, but I don't think Mr. Powers has that much motivation
05:00:18 11 here, is put aside the stipulation. And you've mentioned
05:00:37 12 burdens of production and the like.

05:00:42 13 What is your burden of production when there's a
05:00:45 14 provisional application to shift to them to doing something
05:00:49 15 because I don't think they're going to do anything?

05:00:51 16 MR. REINES: Right. If they don't do anything,
05:00:53 17 then it doesn't shift to us. What I want --

05:00:55 18 THE COURT: Well, wait. So it's kind of quick
05:00:58 19 there. So I haven't looked at this. Maybe you know the
05:01:07 20 answer.

05:01:07 21 You know, usually the first paragraph of a
05:01:13 22 specification, it says, This thing claims as priority to
05:01:16 23 blah, blah, blah.

05:01:17 24 MR. REINES: Right.

05:01:17 25 THE COURT: Does it say, and to the provisional

05:01:19 1 application, then the date 2002, so it's right in there?

05:01:25 2 MR. REINES: Yes. Yes. And it's in the
05:01:27 3 pretrial conference statement, but yes. Yes.

05:01:30 4 THE COURT: And so is it your position that if
05:01:35 5 you have that in the patent, absent something done by the
05:01:41 6 defendant, your priority date is 2002?

05:01:45 7 MR. REINES: If they don't present any prior art
05:01:49 8 post-dating 2002 as their combinations, then the issue is
05:01:54 9 not joined up, and it's just not adjudicated. There has to
05:01:59 10 be a reason to force us to try and prove a priority date.
05:02:02 11 But I have a more fundamental --

05:02:04 12 THE COURT: No. No. Before you --

05:02:05 13 MR. REINES: Okay.

05:02:06 14 THE COURT: I know you want to get to something
05:02:08 15 else, but can you sometime over the weekend --

05:02:18 16 MR. REINES: Yes.

05:02:18 17 THE COURT: -- provide me a case or something
05:02:21 18 else that just says, you know, basically if the patent says
05:02:28 19 our priority date is "X," absent something coming from the
05:02:33 20 defendant, nothing has to be done; you get that priority
05:02:36 21 date?

05:02:36 22 MR. REINES: Yeah. Yes, we will, but --

05:02:40 23 THE COURT: Okay.

05:02:40 24 MR. REINES: -- the one thing that I wanted to
05:02:42 25 say that's broader than that is if the Court's going to

05:02:45 1 permit the cross-examination implied or stating that

05:02:51 2 Mr. Ismagilov stole the invention from --

05:02:53 3 THE COURT: Yeah. Yeah. So you say stole --

05:02:57 4 MR. REINES: That's copying from Quake, yeah.

05:03:00 5 THE COURT: So, you know, that's perhaps another

05:03:04 6 thing is, you know, my impression is, and maybe I'm wrong,

05:03:17 7 and I certainly haven't asked Mr. Powers, my impression is

05:03:20 8 that they're not going to say they stole the investigation.

05:03:24 9 What they're going to say is, Here's paragraph after

05:03:28 10 paragraph where you copied what he said. Isn't this really

05:03:34 11 important stuff? Isn't this stuff you claim is your

05:03:39 12 invention or the key to your invention?

05:03:42 13 He's going to say, No, that's not my invention.

05:03:44 14 It's something else, I think. I'd be surprised if he said

05:03:48 15 anything else.

05:03:49 16 And that's part of the reason why I'm saying,

05:03:55 17 you know, I don't want to hear about the Patent Office

05:03:57 18 rules. The argument is going to be that this shows that, in

05:04:06 19 fact, it was obvious from Quake in some form or fashion,

05:04:10 20 something like that; right?

05:04:11 21 MR. POWERS: You're exactly right, Your Honor.

05:04:13 22 MR. REINES: Right. Your Honor has said

05:04:15 23 repeatedly, and I think that's what's coloring this whole

05:04:18 24 analysis is that you think that that's wrong. That your

05:04:21 25 guy, it's wrong what he did. And I fear that the jurors

05:04:24 1 will have -- they don't have the patent.

05:04:25 2 THE COURT: Did I say that?

05:04:26 3 MR. REINES: Yeah. You said that two days ago,
05:04:28 4 and I think that just animates it, in general. And you
05:04:32 5 don't have the patent manuals that say to do that, and so
05:04:36 6 forth in front of you, and the jury certainly will not. So
05:04:39 7 I think it's an inference that's a risk, at a minimum, but
05:04:44 8 that's what he's going to say.

05:04:46 9 And the other thing, and Mr. Powers will do this
05:04:48 10 throughout the trial, he'll say, I never will do that. I
05:04:51 11 direct you to Exhibit 423 and the allegations about him
05:04:56 12 violating his inventorship oath and everything else.

05:04:59 13 THE COURT: Yeah. But, Mr. Reines, just because
05:05:02 14 he writes something yesterday or even earlier today saying
05:05:05 15 this, that, and the other thing --

05:05:07 16 MR. REINES: You're saying --

05:05:08 17 THE COURT: So --

05:05:09 18 MR. REINES: You said you don't know why I would
05:05:10 19 think that he's doing -- you think he's just going to do
05:05:13 20 innocuous stuff.

05:05:14 21 THE COURT: Oh, all right. So I get that.

05:05:15 22 MR. REINES: So I'm saying --

05:05:17 23 THE COURT: Okay.

05:05:17 24 MR. REINES: So what I wanted to say, which I
05:05:19 25 think is just a basic thing, even as Mr. Powers just said

05:05:21 1 it, I'm sure he might want to say other stuff, but is that
05:05:24 2 if they come forward with something that is their prior art
05:05:29 3 reference, and they said they're not going to rely on
05:05:31 4 Thorsen for that, that's been clear because they've made so
05:05:34 5 many arguments to you about that that we then have the
05:05:37 6 burden to come forward with the provisional. Your Honor's
05:05:40 7 posited this case of this sort of scathing cross-examination
05:05:43 8 where they use the provisional with Professor Ismagilov.

05:05:48 9 That's what you envisioned as perhaps something
05:05:51 10 that's acceptable. That should never be accepted. I mean,
05:05:55 11 if you want us to forfeit priority, I guess we would given,
05:05:59 12 assuming that --

05:06:00 13 THE COURT: Well, whether you forfeit priority
05:06:02 14 or not really has nothing to do with whether I'm going to
05:06:04 15 let him do that. I mean, in other words --

05:06:09 16 MR. REINES: But the provisional wouldn't be
05:06:11 17 relevant if they're not relying on it, even they're not even
05:06:14 18 arguing that. With all the 403, if you remember from two
05:06:17 19 days ago, the indirect proving there's an obviousness
05:06:21 20 analysis where you say, what's in this reference, what's in
05:06:23 21 this reference, and all of that that are the real way to
05:06:26 22 prove obviousness.

05:06:27 23 I mean, we all know. I mean, I don't think
05:06:29 24 anyone -- everyone knows they just want to make him look
05:06:31 25 bad, right, either it does show invalid or it doesn't. This

05:06:35 1 is a secondary or tertiary way to create inference of it
05:06:39 2 that's going to have -- what's going to happen is
05:06:41 3 Ismagilov's going to be examined about it. Our expert is
05:06:43 4 going to have to respond to it. He's got opinions on it.
05:06:46 5 Their expert has opinions on it, and it becomes an entire
05:06:49 6 collateral sideshow.

05:06:50 7 So in addition to the unfair prejudice, there's
05:06:54 8 the whole cumulative aspect of it. And this is where I,
05:06:59 9 just for the life of me, I apologize, that to say that
05:07:03 10 getting into the re-exam where they make the copying
05:07:06 11 allegation and issues any way is too collateral because it
05:07:10 12 would take too much time. It would be too confusing for the
05:07:13 13 jury.

05:07:13 14 But to go through this Rorschach test with
05:07:17 15 yellow highlighters and say the different experts arguing
05:07:20 16 line by line, Is this invention? Is this not invention? Is
05:07:22 17 this invention?

05:07:23 18 That's what's going to happen. That's what's
05:07:25 19 going to happen. That all should happen regardless of
05:07:29 20 whether we rely on the provisional when the provisional
05:07:33 21 isn't relevant to anything. Seems to be the classic
05:07:36 22 exercise of 403 to say so collateral, indirect and risk
05:07:41 23 unfair prejudice.

05:07:42 24 THE COURT: Okay.

05:07:43 25 MR. REINES: All right.

05:07:43 1 THE COURT: I hear you.

05:07:44 2 MR. REINES: Thank you.

05:07:48 3 MR. POWERS: Nothing further from us, Your
05:07:50 4 Honor.

05:07:50 5 THE COURT: Thank you. All right. So I'm just
05:07:57 6 going to ask you, Mr. Walter, just because I'm making an
05:08:00 7 assumption here, but the case that I've asked for, can you
05:08:03 8 submit that by like the end of tomorrow?

05:08:07 9 MR. WALTER: Yes.

05:08:08 10 THE COURT: Okay. Thank you.

05:08:09 11 All right. So if, in fact, Mr. Walter submits
05:08:23 12 the case that I hope he's going to submit, then I am going
05:08:26 13 to rule that, unless you do something to make it an issue,
05:08:32 14 the priority date of 2002 is not an issue. Okay?

05:08:39 15 MR. POWERS: Understood, Your Honor, and we will
05:08:41 16 probably submit a case to you by the end of the day tomorrow
05:08:44 17 as well.

05:08:44 18 THE COURT: Well, that will be fine.

05:08:46 19 MR. POWERS: And let me be real clear about what
05:08:48 20 it is we're going to say will have raised the issue, and
05:08:52 21 Your Honor can agree or disagree, but I don't want there to
05:08:54 22 be ambiguity or surprise about it. The Thorsen thesis is
05:08:57 23 going to be in evidence.

05:08:59 24 THE COURT: Right. But it's like not being
05:09:01 25 introduced as anticipatory reference.

05:09:04 1 MR. POWERS: There will not be testimony about
05:09:05 2 that.

05:09:05 3 THE COURT: Well, and so it's not -- I'm sorry.
05:09:08 4 You should finish.

05:09:10 5 MR. POWERS: Let me be clear: We are not
05:09:12 6 putting it forward through our expert as an anticipatory
05:09:16 7 reference because it's not in his report, and we wouldn't be
05:09:18 8 allowed to. If it's in evidence, we can certainly talk
05:09:21 9 about with their expert and show how things he's saying are
05:09:26 10 absent in one reference or present in the Thorsen thesis.

05:09:30 11 There's nothing, no rule of law that would
05:09:32 12 prevent me from cross-examining their expert who's saying
05:09:35 13 this is a novel and complete advance or anything in the art
05:09:41 14 to show that the Thorsen thesis has what he says is missing.

05:09:44 15 THE COURT: All right.

05:09:44 16 MR. POWERS: And it's my view that that forces
05:09:46 17 the question for them, because as a matter of law, then the
05:09:50 18 record contains evidence that would support a finding of
05:09:54 19 invalidity unless they get the priority date of 2002. And
05:09:59 20 that's their decision at that point. I mean, if Your Honor
05:10:02 21 rules we can't put it in, at that point it's their decision
05:10:05 22 whether they want to put it in or not. If they don't --

05:10:08 23 THE COURT: Yeah. So it's going to come up
05:10:11 24 probably long before this because presumably Dr. Ismagilov
05:10:14 25 is going to be testifying on Monday; right?

05:10:16 1 MR. POWERS: I assume so. I agree, Your Honor.

05:10:19 2 We need some clarity on this before that.

05:10:21 3 THE COURT: Okay. All right.

05:10:22 4 MR. POWERS: That is the only point I wanted to
05:10:24 5 make about, A, we'll be providing you authority by the end
05:10:27 6 of the day tomorrow on the question that you've asked, which
05:10:30 7 is: Does the mere claim of priority on the face of the
05:10:33 8 patent entitle that patent to that priority date absent us
05:10:36 9 specifically challenging it? I am pretty confident the
05:10:40 10 answer will be no, but both sides will give you the cases on
05:10:44 11 that.

05:10:45 12 But I did want to address Your Honor's question
05:10:48 13 about whether we would be doing something to provoke it.

05:10:51 14 THE COURT: Okay. Thank you. I appreciate
05:10:54 15 that.

05:10:55 16 All right. So I'm certainly going to let you,
05:11:51 17 Mr. Powers, have your expert or cross-examine Dr. Ismagilov
05:11:55 18 however you like, talk about what in his patent application
05:12:01 19 comes from Quake. And I will let you know by email sometime
05:12:25 20 tomorrow to whether I will let you do the provisional
05:12:29 21 application, too, because I understand this impacts what
05:12:52 22 slides you might be using in the opening.

05:12:57 23 MR. POWERS: Thank you, Your Honor.

05:12:59 24 THE COURT: And it's possible -- I will let you
05:13:14 25 know sometime tomorrow, so --

05:13:22 1 MR. POWERS: May I make a suggestion?

05:13:23 2 THE COURT: Sure.

05:13:25 3 MR. POWERS: We can certainly get you whatever
05:13:26 4 cases on this. It's a very simple issue you asked for. I
05:13:30 5 think we can get those to you by noon tomorrow if that would
05:13:32 6 be helpful to you in getting an email out to us tomorrow,
05:13:37 7 rather than end of day.

05:13:38 8 THE COURT: Mr. Walter?

05:13:38 9 MR. WALTER: Yes, Your Honor.

05:13:39 10 THE COURT: Okay. Noon tomorrow. That's a good
05:13:41 11 suggestion.

05:13:41 12 MR. REINES: But to be clear, if the basis for
05:13:46 13 the provisional coming in is that we're relying on it, then
05:13:49 14 we won't rely on it because, obviously, the smearing is way
05:13:53 15 worse for us than whatever we have to do on the prior art.

05:13:59 16 THE COURT: No, see, I mean, it kind of works
05:14:06 17 both ways. Both sides, in my opinion, have accepted that
05:14:17 18 2002 is the priority date, so I'm not real excited about
05:14:31 19 letting them, the defendant, challenge it. I'm certainly
05:14:34 20 not excited about you saying, Oh, we don't really care what
05:14:38 21 the priority date is.

05:14:40 22 MR. REINES: Well, I mean, it's a possible
05:14:42 23 justification for the use of the provisional to
05:14:45 24 cross-examine our expert to do all this stuff, keeping the
05:14:48 25 ex parte exam out.

05:14:50 1 THE COURT: Well, the thing is, Mr. Reines, I'm
05:14:51 2 going to let him cross-examine on the provisional. I'm
05:14:54 3 going to let him do that regardless of what priority date
05:14:57 4 you pick.

05:14:57 5 MR. REINES: That's what I'm fearing, so I'm
05:15:00 6 just doing anything I can for my client and Mr. Ismagilov's
05:15:05 7 reputation.

05:15:06 8 THE COURT: So there's no particular concern
05:15:08 9 about his reputation because if everything he did is what
05:15:13 10 everybody does, there's no big deal. It has no impact on
05:15:17 11 his reputation.

05:15:18 12 MR. REINES: Right. It's the allegation. And
05:15:21 13 then nothing that we're doing here today or at any point,
05:15:24 14 just to free me for the rest of the trial, I'm sure you
05:15:27 15 appreciate that, you know, is anything but urging that the
05:15:30 16 ex parte re-exam be considered here. So that there's
05:15:34 17 nothing, I'm saying, waiving that at any point.

05:15:37 18 THE COURT: No, I understand that. Anything
05:15:40 19 else?

05:15:40 20 So I guess the other thing is if over the course
05:15:46 21 of the weekend, you're meeting and conferring and you think
05:15:54 22 it would be helpful to submit something to me in
05:16:06 23 anticipation of having the issue resolved on Monday morning,
05:16:09 24 or Tuesday morning, or whatever, Mr. Farnan, Mr. Rawnsley,
05:16:13 25 they know what my email address is. Not the Court email,

05:16:16 1 but, you know, my direct email; right?

05:16:21 2 MR. RAWNSLEY: Yes, Your Honor.

05:16:22 3 MR. FARNAN: Yes, Your Honor.

05:16:23 4 THE COURT: So you should feel free to send me
05:16:25 5 whatever it is you need to send me to think about. And I
05:16:31 6 guess the only other question I have, which is based on the
05:16:34 7 experience now is, do we need to meet earlier than nine
05:16:37 8 o'clock on Monday?

05:16:40 9 MR. POWERS: At the moment, I would say no, and
05:16:42 10 thank you for the offer in the email, Your Honor. That's
05:16:45 11 very helpful during trial. At the moment I would say no,
05:16:50 12 with the caveat that the parties have a meet-and-confer
05:16:54 13 process on both witnesses and openings slides that's going
05:16:58 14 to be happening over the course of the weekend.

05:17:00 15 If, as a result of that process, it looks like
05:17:03 16 there's a bigger issue than normal, one or both of us, I
05:17:08 17 think, will send you an email and suggest that. So --

05:17:10 18 THE COURT: Well, if you send me an email and
05:17:13 19 suggest that, I will meet you at 8:30.

05:17:16 20 MR. POWERS: Thank you, Your Honor.

05:17:18 21 THE COURT: All right, Mr. Reines?

05:17:20 22 MR. REINES: Yes.

05:17:21 23 THE COURT: And you know, I will acknowledge the
05:17:24 24 email, say yeah, I'm going to meet you at 8:30. Okay. All
05:17:30 25 right.

05:17:31 1 I can't think of anything else. I appreciate
05:17:33 2 your time this afternoon, and I guess I'll see you on Monday
05:17:37 3 morning. Okay?

05:17:49 4 THE CLERK: All rise.

05:17:51 5 (Court was recessed at 5:18 p.m.)

6 I hereby certify the foregoing is a true and
7 accurate transcript from my stenographic notes in the
8 proceeding.

9

10 /s/ Heather M. Triozzi
11 Official Merit Reporter
12 U.S. District Court

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